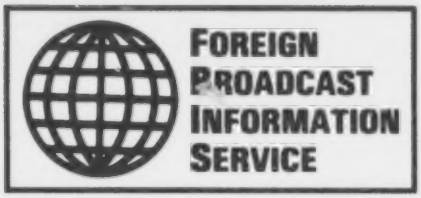

Daily Report

Latin America

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Cuba

Castro Outlines Food Production Goals

PA0511043190 Havana International Service in Spanish 0002 GMT 5 Nov 90

[Text] President Fidel Castro said today that serious work is being done in the national food program because of the reorganization of the agricultural sector and the achievements in food production in the short run. Fidel Castro toured several regions in Havana Province on Red Sunday and made statements in El Paraiso camp, Guines Municipality, where Cuban youth leaders are working.

The Cuban head of state said that over 30 new villages and some 10,000 houses will be built in the next four of five years in rural areas of Havana province to stop the exodus to the cities and to stem the latest tendency toward bureaucractic procedure in the agricultural sector. Castro said that students have been the soul of agriculture, and he indicated that a permanent force is needed to perform agricultural tasks throughout the year. He said the possibility of paying higher salaries in rural areas than in cities is being studied, in order to encourage the labor force to remain in rural areas and thus, to guarantee large quantity of quality food supply for the population.

Fidel Castro said that we are talking about a true revolution in the use of bureaucratic personnel in the agricultural sector, in a country where all available famland farming must be utilized. He also said the consumption habits of the people have to improve.

On this subject, Castro stressed the need of learning the advantages of eating bananas, rich in nutrients and vitamins, and he recommended the publication of a book he brought from Ecuador two years ago that explains 400 ways of preparing bananas.

In his meeting with the youths in El Paraiso camp, Guines Municipality, Fidel Castro also stressed the participation of Cuban women in the agricultural sector and the efforts of construction workers in creating the infrastructure for the food program.

According to preliminary reports from labor centers, 2.3 million Cubans did voluntary work in the 14 provinces of the country on Red Sunday.

Fidel Castro Addresses ICA on Livestock

PA0511031090 Havana Cubavision Television in Spanish 0300 GMT 31 Oct 90

[Speech by President Fidel Castro at the Institute of Animal Sciences, ICA, in Havana on 27 October—recorded]

[Text] Distinguished guests, comrades who participate in events like these at home and abroad, I am absolutely unprepared to close a scientific event. In fact, no one reminded me yesterday that this event would be closing today. I was and still am meeting with the Youth Directorate. Yesterday we held a lengthy meeting during which we analyzed many issues, and the meeting is not over yet. It was to continue today and it will continue. It occured to me during the recess, to excuse myself and escape for a few minutes to calculate the minimum time for a brief speech, or a few brief words rather than a speech. I wanted to come over here quickly and participate in this closing event.

All of this is regrettable because the topics that you have discussed and the problems that you have brought up are of enormous interest for our country and for other countries in the world, especially for the third world where people live in the tropical zones of our planet. On the other hand, it was impossible to let this day go by without granting a minimum of recognition to the ICA, which was, in fact, one of the first scientific institutions created by the revolution.

At that time, none of us knew anything about science. Today some of you know about science. Comrade (Ravel) spoke here of the first meetings that were held to create the ICA, and of how I suggested that he educate himself well so that he could later educate others. At that time, (Ravel) was not a scientist, nor were any of the comrades who worked here from the outset. We knew little about science. We knew even less about organizing a scientific center. We all agreed to deal with these problems and to create.

In fact, the issue of livestock development had gained momentum in the wealthy and developed capitalist countries, especially in the cool climates. I might say that at the time we had no point of reference, information, or experience. There was no experience in the tropics concerning livestock development. In the tropics, in fact, as a rule all livestock development was extensive. All of the ideas and concepts concerning the exploitation of dairy farms or dairy cattle came from Europe, The Netherlands, France, the United States, Australia, and other countries.

In reality there was no... [changes thought] although Australia is a country that has cool and cold areas. [sentence as heard] When the ICA was created, I do not recall seeing much literature on dairy exploitation, for example. For us it was a difficult task, but our goal was clear: how to produce milk and meat in the tropics. In the tropics, of course, we knew how to produce meat in the extensive manner, and we used very rustic cattle, primarily zebus.

We all had to study a little in those days. I read a number of books on cattlebreeding and on milk production, many of them from the United States and Europe. Of course, there was not a single book by Guacan [not further identified] that I did not read and recommend to other people. What he wrote and what he advocated concerning the best way to use pasture —especially in the practical sense—seemed reasonable. In effect, these

ideas were implemented in our country and are still in the process of being perfected.

Cuba had many problems, and we had to reach certain conclusions. Our country was not large enough to have huge meat-producing herds, and we could not produce enough milk for our population—not the milk they drank but the milk they needed. We reached the conclusion, that as a rule, we had to develop milk-producing cattle. That milk should be the leading product and meat a byproduct. Our zebus did not produce enough milk; they only produced two or three liters, sometimes a little more. We did not have the opportunity to bring in other types of zebus from other countries with more milk-producing qualities.

We later found out that in Australia there is a zebu that produces more milk, and doses of semen were brought to Cuba to begin reproducing them, but that was a very lengthy process. Therefore, we had to get down to the task of cross-breeding but we had no experience. There was some practical knowledge in mountainous areas in some of the provinces where Brown Swiss cows had been crossed with zebu cattle, and also [changes thought], but very little concerning other possible cross-breedings. Of course, it was not easy to get Brown Swiss cattle because of the U.S. blockade and the difficulty of importing European cattle if they are not first sent to strict quarantine centers, despite being vaccinated. We have always maintained that vaccinated animals should not be brought because they could be the bearers of certain diseases such as hoof-and-mouth disease. I saw that we had almost no other alternative but to stick with Holstein cattle, primarily from Canada, with whom we have maintained commercial ties throughout the revolutionary period.

Thus, one of our first tasks was to find a way of developing milk-producing herds. That was our priority, and we worked on that. All types of cross-breeding were done and compared. We saw that the F-1s [refers to the outcome of a particular type of cross-breeding] were animals that inherited the milk-producing capacity from the different breeds.

We cross-bred all the breeds, Holstein, Brown Swiss, Ayrshire, Jersey, and dairy Shorthorn. We tried every kind of milk-producing breed there was in the world and compared the production. Maybe the genetic potential and quality of the specimens were responsible, but we saw a preeminence in the Holstein.

I remember some of the first cross-breedings. There is still a small place somewhere near the summit which is now being preserved as a historical site, but this will not always be the case. We might build a scientific research center there at any time, because experiments done in the past there were not always scientific, but rather practical ones—which I asked some friends to conduct.

We had to give the Genetic Engineering Department 16 hectares of land that we used for experiments in those days. There is still a small milk-producing herd of S-1 and R-1 and maybe some F-2.

Well, F-2 is the wrong way of saying it because I think it was F- 1-1, but what is practical is always practical, and the F-1-1 we used to call F-2. We called F-2 the cross-breeding of the Holstein with the F-1 again. That is how everyone knew it.

There is still some cross-breeding to be done, but it is bound to disappear with science's fast development and advanced technology in those areas.

That was not the only place, however, where cross-breeding was done. Experiments were conducted everywhere. In some cases the cross-breeding encompassed complete dairy farms. First we tried to get milk, and then meat. We tried to find out what type of cross-breeding produced the most milk. When we selected the father properly, some of the offsprings were born on the eighth month—we conducted an experiment to discover when a well-fed F-1 could be born. I remember one who was born from (?Zinma) or (?Zineman) or (?Zileman) something like that. We brought thousands of that breed.

Afterward we invented the sperm cell tablet. One million doses. We decided that we did not need so much sperm.

We did not have money to buy the dose of sperm. The ampoules were worth about $50. We would send our technicians to purchase the semen and then we subdivided it into one million sperm cell tablets. Later we ran tests to see if it would work. We found that we could inseminate just as easily using 20,000 sperm cells instead of 20 million. I imagine that the role of these cells must be similar to a sports marathon, with thousands running to see who arrives first. [chuckles] It makes no difference whether 50, 500, or 5,000 run. So it makes no difference whether there are 25 million or 1 million sperm cells. Our tests worked and we ended up paying two dollars for the dose. I recall that the (?company) was (?Ceiling Roughman). We now have thousands of cattle. One of the cows produced up to 20 liters of milk a day when she was eight months old. Incredible! Luckily, the F-1 breed is a solution. Now that we are talking about raising cattle in the tropics , I am showing you a very easy way to start. The Swiss, for example, have a good cow that yields plenty of milk, the Holstein, a breed we did not have.

We began cross-breeding the Zebu and the Holstein in order to have hundreds of thousands of milk cows. We only had a few thousand milk cows in the country. Then we studied what to do next, whether the the F-2 breed—the second cross-breeding with Holstein—was strong or not, and whether we should crossbreed what we called the R-1. We began developing new breeds, but that takes a long time and countries need to find short-term solutions. We can work on long-term solutions geared for 25, 30 or 40 years, but the population needs short-term solutions. The fastest way to breed cattle was to use the Zebu, our local breed. We also have native cattle. We have found and maintained them. We have used them to produce cattle for consumption purposes. We have

cross-bred them with the (Imusine), which has a similar color. However, we could not only use native cattle. This would have taken many years. I remember that the main herds were at Bayamo and they were infected with brucellosis. To my way of thinking, tropical countries have a very easy way out—cross-breeding with Zebu to produce milk cows. From this action many formulas are possible. One formula is secondary cross-breeding. Stabilization can be tried with a 75-percent milk producing breed, a 50 percent, a three-eighth, or five-eighth—we have cross-bred many like this. We have had excellent results with high milk yields by cross-breeding the six-eighth [as heard] with the Zebu once again. Animals which are only 25 percent Holstein have yielded more than 20 liters of milk a day. And what milk! How tough these animals are! There are many Holstein variations. The cows we call R-1 also yield plenty of milk and are strong. If one chooses, this can be done in large numbers . Take the six-eighth [as heard] and cross it with an R-1. Many things can be done. There are many ways to produce large numbers of milk producing animals. This was one of the first tasks we undertook.

Afteward, using genetics, we tried to see what cross-breeds would yield the most meat. In all the tests that we did, we were able to prove that crossing a Holstein cow with Zebu bull produced the fastest growing animal. We tested all the meat producing breeds. We tried the (Imusine), the Charolais, Shorthorn—all the meat producing breeds. We tested them by crossing them with Holstein and they always came out first. We tested this again and again. From this emerged the concept of the tropical Holstein, beginning with the herds we had imported and without importing fresh semen. We chose the Holstein cattle that produced the most milk and fat in the tropics. A cow (?in Canada) produces much milk, but cannot stand the heat. We ran plenty of other tests. We studied their hides, the number of pores, and why the Zebu was stronger. We used plenty of technical data in making the selections. We discovered that the number of pores was indeed a very important factor because this is how the body cools itself. This determines why the Zebu can stand the heat and the others cannot. We also studied the Zebu's stomach walls. The walls are thicker, they have a greater digestive capacity and can extract more nutrients from the food. One surprising fact emerged—by crossing the Zebu and the Holstein, the hybrid breed weighed much more, as if the mother cow was a Holstein instead of Zebu. We then had to figure out why this happened. Maybe the Holstein cow feeds its calf more milk. The hybrid offspring then grows more. I told myself that this could be one of the reasons. Maybe this hybrid does not receive as much food in a Zebu's womb. That could well be one of the theories.

I mean we spared no tests trying to find ways to produce milk and make the milk herds produce beef. If you have already one million animals of a milk breed, then this milk herd can produce beef if 60 percent of its animals are crossbred. These herds can also give birth to hybrid males or females, which can later be butchered. We can breed the animals that produce the most milk with carefully selected animals of their own kind in order to replace the animals being removed and to keep their number constant. In theory, we have a large number of solutions. In addition, we imported young Holstein animals and acclimatized them. Because these were what we call tropical Holsteins, we tried to find and breed the species that could best resist heat and tropical conditions. This was one of the big problems we had to resolve.

We experienced another great problem, basic food. All of what has been learned about cattle in the world has been written in temperate countries. The food is basically cereals and grains. Early on, we reached the conclusion that our country did not know what to import because the best lands are planted with sugarcane. We do not have abundant land for raising cattle. To understand this, we must take into consideration that our country has almost as many inhabitants per square kilometer as China, and that our country exports food for tens of millions of people in the world. We export food for 40 million people in the world.

In addition to the grain problem, our soil is tropical and sometimes it can be hard as concrete. Planting cereal calls for the soil to broken up, which can be expensive and difficult. We discovered early that the pasture was the ideal choice for us because it is a perennial plant. We studied this in depth. We grew pastures with fertilizers to such an extent that we later could not find use for it, and the plants that we built had to be changed to process sugarcane, rice, and other necessary products. We studied the yield from one hectare in tropical conditions, under which production can be great.

Also, we have a special gramineous plant—sugarcane—perhaps the plant most capable of assimilating solar energy and being used for energy. I do not think there is a more capable plant in the world. In addition, it is a perennial and noble plant because it resists drought. In the end, it may not yield as much, but the crop will not be lost, such as in the case with grains when a strong drought takes it by surprise. Grains are more likely to have these difficulties, which include the soil, excessive rain, drought, relatively low yield per hectare, and high mechanization. This is why we favored the pasture.

At ICA we had to bring in technicians from Europe. There was even controversy about this. I remember a great controversy with the leading director and technician at a congress that I was invited to. This controversy arised over a single concept. While the speaker at the congress was advocating cereals, we were defending the idea of a pasture and sugarcane. It was a honest controversy. With the European mentality, he saw the solution in cereals. But there was not sufficient land. In addition, there were other obstacles. We proposed to the ICA the idea of using sugarcane as the fundamental source of

food for cattle. Of course, we proposed the development of the pasture. The institution was put in charge of numerous tasks.

I must mention another of the great disadvantages of the tropics, the absence of a good legume. We envied the way clover and alfalfa are grown in temperate climates. Alfalfa can last two or three years, but ours lasted barely one year. We had to grow it like we would lettuce. When the dry season started, with all this increased solar energy, gramineous plants sprouted all over the place and smothered the alfalfa. We worked hard to grow alfalfa. In Europe, you can see how easily legumes and gramineous plants are combined. We did tests with legumes and produced more than 20 liters, in fact, more than 25 liters—I still remember the specimen— of milk per animal per day with a mixture of coconut (?dermuda)—not of the very best—and alfalfa. For a daily diet, we fed the cattle a mixture of 50 pounds of alfalfa, which we had grown as lettuce, and 100 pounds of the gramineous plant coconut (?dermuda). This particular cow was brought to a genetics center and its yield was calculated. Its production of 18 liters per day increased to 27 without it losing any weight. On the contrary, the animal gained weight.

But it is very difficult to grow legumes here. I remember we imported all kinds of legume seeds to prove this. Now, at last, we are growing some of them. Growing legumes represents a tremendous leap ahead. Great experience has been gained in temperate countries in feeding cattle with gramineous plants, legumes, and grain through research and the application of technology.

But here we had to face the solution of those problems in the tropics. As has been said here before, there have been major political changes. Our people did not have much experience. I remember that at first we tried to put up electric fences but our workers' level of education was very low. We had to put up those fixed fences. Now we are starting to put up electric fences on a large scale, and these will have to be used on an even greater scale. The use of these fences produces greater saving and allows greater utilization of the pasture land. Our people did not have much experience. Grazing very robust animals such as the Zebu, the Holstein and dairy cows requires greater attention, and we did not have the means to provide it. The cattle was more susceptible to ticks and other types of problems. But we were able to overcome all these changes, and throughout these years we had to learn from everyday experiences. During all of these problems we had to face subjective and objective factors. Currently our country has a vast knowledge of cattle exploitation.

There have been other problems in organizing livestock enterprises. The executive committee held a meeting 10 days ago to analyze the structure of the livestock enterprises. On the administrative level the staff was too large, everyone was demanding something or other; the administration sector was also very large. There was an excessive number of personnel. The same held true for the mid-level structure. We are making a great effort and we are going to reduce the staff in these enterprises. The excess personnel will be sent to other sectors, like housing. And as I have said, these steps which must be taken have to be analyzed even further. Right now it is the best solution and this concept must be studied. If the famous USA, [corrects himself] UFA [Administrative Functional Unit] is right, then it should be made up of 10 dairy farms. Here we have observed too much specialization.

When the livestock programs were planned, it was decided that the dairy farms were to select and raise the calves, the yearlings, and the young cattle, in other words, be responsible for those activities. But later, those tasks were passed on to ASU [expansion unknown], which was against the genetic renovation. Now once again we are proposing that each unit select the animals which are to replenish their herds from the offspring of their best cows, rather than placing them in center for calves where the same milk is given to the offspring of a cow of 40 as to the offspring of a cow of 10. In these centers the cattle has to be classified, and more attention given to the animals that have greater genetic possibilities.

In the agricultural sector the idea of selecting and raising young animals, the offspring of the best cows, came up. But now the livestock enterprise considers itself too specialized in calves, in weaned animals, and in young cattle. Nevertheless, it did not do a thorough job in certain organizational procedures which are important in making our overall concept perfect, revolutionizing it and truly making it adequate for reaching our objectives. There is no doubt too much specialization leads to a greater number of workers. We are now considering if some of this breeding can be carried out in an overall manner, that is, placing calves and weaned animals under the same administration. Maybe even the young cattle can be included in these units. But we are very interested in merging the productive units with the genetic program. A great deal of attention is currently being given to the livestock problem.

Generally speaking, cattle raising is the car's fifth wheel. Sugarcane planting and processing always held a priority status. Then came rice, citrus fruits, other foods, and vegetables, whose plans demanded compliance to the detriment of the plans to plant pasture. Cattle raising also suffered because it not only had to yield its priority status regarding fertilizers to sugarcane and other crops, but good land to foresting plans in the mountains. Forests had irrationally been logged and pastures had been planted. These areas truly belonged to the forests. Consequently, the areas devoted to raising cattle gradually shrank. The government was forced to constantly devote new areas to growing pastures. As I said before, the plans for cattle raising did not have a priority status. Now a bigger priority has emerged in the form of this year's pasture planting plans. This year has not been the most favorable for planting pastures. There has been continual rain in some areas of the south. There was little rain in the country's center and none in the north, and it

has been necessary to wait. In addition, it has been necessary to overcome inertia, the old idea of forgetting about the pasture. A strong effort is being made and at this time we have planted perhaps 17,000 caballerias, or more than 200,000 hectares. We might reach 240,000 hectares this year.

This is a somewhat greater figure. But this is going to be the year in which the most pastures will be planted. The government has paid special attention to this. It has been discussed again and again. We are making the effort we should. Our livestock has had to adapt itself to less than rich soils and often to the more arid areas. Sugarcane, rice, citrus fruits, and vegetables have had priority status in the irrigation plans. These products have been pressing our economy. Of course, their production per hectare is higher. I believe, however, that the pastures lagged too far behind. This is one of the corrections we are making, giving cattle raising and pasture planting all the attention that they deserve. This has been studied in-depth and much experience has been gained. Many varieties of pastures have been introduced over the years. You have studied them all here. The varieties are numerous and have been evaluated to determine which are more productive. The soils to which each of these varieties of pasture is best suited have been studied. We are already working with these things in mind.

Seeds have been imported and banks have been created to cover the pastures not only with stolons, but with seeds. To make compliance with programs easier, quantities of seed, such as that of wistaria, have been imported. Several large plots of land have been planted this year, not only as protein banks, but as seed banks to spread this legume. We will have to work hard in this direction with the best gramineous plants and legume banks and areas best suited to our conditions to meet the principle that our basic foods be from the pasture, milk, and beef because we must import grain and its availability is never sure. Prices vary too much. It is more logical for us to feed poultry, rather than cattle, with cereals. These animals include egg-laying hens, chickens, hogs to a certain extent, and other species. Consequently, we must devote what grain we can have to this production. We cannot feed poultry from the pasture. If we could, this would be a marvel. Maybe we could feed them with a percentage of legumes. Otherwise, it is clear that cereals constitute the basic food diet of poultry.

Now, the aspiration of those early years is a reality today thanks to ICA's efforts, which crystallized the aspiration to turn sugarcane into a source of animal feed, rich not only in carbohydrates but proteins as well. Through research and mainly through ICA, important progress has been made in all the fields mentioned. Great progress has been made in every direction to become familiar with the secrets of cattle feeding based on our own sources.

With the help of ICA, we have made great progress in our research centers in feeding cattle with molasses, enriched honey, and protein honey. These are very important achievements. Today, we can honestly say that sugarcane—the most noble plant we know in our country—can become the basic source of food supplement for cattle in the form of saccharine.

In my opinion, this is the greatest achievements of ICA, the greatest contribution to cattle raising in our country, and the greatest contribution to cattle raising in the tropical world. That noble plant can be produced throughout the tropics, and the procedures for developing saccharine are very simple.

We continue to conduct research and to improve the techniques. Sugarcane can also be the main source for feeding hogs, not only through a certain amount of saccharine, but also through protein honey. Protein honey practically replaces grains. Hogs may be fed with some fiber from saccharine and protein. The other calories will come from protein honey.

Protein honey is made from liquid yeast. Naturally, our liquid yeast factories each cost $10 million many years ago. Today they would each cost over $20 million. That is why we have two important tasks—we must have our own liquid yeast factories and the basic equipment in order to reduce the investment.

There is another more important issue, and we have asked ICA to work on it. We want to develop small factories close to the center that will produce protein honey, and this will entail a great economy in the investment. That is a very important step for us. Sugarcane has become a tremendous raw material for feeding cattle. Normally, a certain amount of saccharine can be use for feeding hogs and rabbits, while a very large amount can be used for cattle. Saccharine helps all species, even poultry, which takes about 10 percent.

We are now trying to produce saccharine on an industrial basis, and we are working on the task of drying it. We are trying to see how we can use surplus heat or the heat from chimneys in order not to invest energy in drying saccharine. In addition, there is a certain virtue to this product, and that the fact it can be produced in a small scale.

Sugarcane can be processed in a small mill to produce saccharine; it can be produced on a dairy farm, at an UFA. What does UFA stand for anyhow? I see, the Administrative Functional Units. The administrative had to show up somewhere, right? The administrative always show up. The units should be called UEPL, Efficient Milk Production Units, [Unidades Eficientes de Produccion de Leche], and not Administrative Functional Units. Some bureaucrat must have participated in this concept and organization. [applause and laughter]

And I told them, yes, I talked to them about these concepts and organizations. We are determining whether it is necessary to have some intermediate organizations like the famous UFA and the farms.

If we had only developed something like these basic production units, so that we could have not 10, but 12, 15 or 20, we could eliminate the intermediate organizations such the farm. Maybe a farm could have 15, 20, 25 or 30 dairies—there we have the grazing areas and so on. We are thinking of additional changes that will allow the reduction of personnel to make those units more efficient, functional, and productive.

We are working on all of these fields. The efforts of the scientists are not enough; they provide the formulas and the solutions, but agriculture and the administration must apply those formulas.

The ICA did all the basic work of all these great advancements. I remember I used to say, when the ICA was created and to which were assigned hundreds of the best lands and enough resources, that with just one discovery they would pay for themselves. They have made several, but this saccharine is just an example. They have worked on everything that has to do with the (?assigning cadres); they have cooperated directly with agriculture. The institution became closely involved with the production centers. It directly influences not only with its research, but also with its advice and recommendations, cattle production. It is everywhere, it has relations with the centers. This is a very good, very useful, very positive concept of great importance. It gives systematic courses to cattle experts. And I think this whole collection of achievements and ideas helps to explain the meaning, the importance, and the prestige of this institution.

In the field of cattle farming, we have worked not only with the idea of helping ourselves, but also toward the solution of the food problem of Third World countries in the tropical areas. As Mr. More [not further identified] has said: This is one of the most serious problems and greatest challenges facing contemporary man. Where there is more progress—in the countries of Europe and others—fewer children are born. There is a minimal population growth. The surplus food supplies are frequently destroyed or the crop sizes are reduced for economic and commercial reasons. Where there is less food, the population grows the most. Where it is more difficult to produce food supplies, the population grows the most.

Let us say that the cooler climate is better. It does not have droughts. It does not have frequent floods. It does not have hurricanes as does part of the developing world. The earth is looser, softer, and easier to prepare. The production of food supplies in the tropics is not easy. We have to fight against humidity, the environment, and the heat. We must also look at the conditions under which we must work in the tropics, under a relentless sun.

In Europe you work in agriculture as if you were in air conditioning. The climate is dry at 15 degrees, 16, 17, and much cooler than in this room. That is where a farm worker works, while here we must clear the land and plant the seeds at midday, at 1500 in the afternoon, in the months of April, May, June, July, August, September, it is terrible and you never hear about it.

Sometimes the men in the tropics seem lazy, and look like they never work. But when the Europeans came here, they had to go to Africa and hunt African men and take them as slaves because they did not feel like cutting sugarcane, harvesting coffee, and working in the fields. That is the real historical truth. Conditions are difficult in the tropics, but the tropics can have advantages if you can achieve the techniques.

The sugarcane has a great capacity for soaking up solar energy, but it is not produced in Europe. The Europeans use beets for producing sugar. Grassy weeds do not grow all year long in Europe, but in the tropics the grassy weeds—both the good and the bad ones—grow all year long. The bad ones are a plague. I have seen a variety called Don Carlos growing in Havana that is truly frightening. It grows this high in just a few days.

That is why we must control these weeds throughout the year. We must control these negative things, we must develop the plants and the good grassy weeds that have a positive effect on the cattle. It can help produce more fodder per hectare, if the techniques are controlled. Not everything is disadvantageous.

With all of these developments such as protein honey and saccharine, sugarcane becomes a hope for the population in the tropics. It opens great possibilities, as it increases the production of food.

When I was in Brazil, a Brazilian entrepreneur told me he was very pleased with how useful our technology was for feeding hogs with protein honey. I told him that Cuba was not really interested in increasing production of milk, pork, or beef for export. We want it for the consumption of our people. I told him our procedures were simple.

How much will we collect with this transfer of technology? We then wondered if it would not be better if we donated the technology and the results of our research centers to the Latin American and Third World countries. We are donating the technology of feeding with protein honey, and we are donating the technology of saccharine, which is very easy and simple to produce.

I cannot imagine Cuba filing a lawsuit in Latin America against any country that is producing saccharine. If I were in any of those countries, and I find out that there is saccharine, that by crushing sugarcane with a few mineral salts one can produce saccharine, then I would probably not conclude a contract with anyone who is producing saccharine. [sentence as heard]

It is quite different to produce the meningococcus vaccine. We believe that these achievements in the field of animal feeding that have greatly helped our country and that are not for competition or export should be passed on to other countries. That is the policy we are following.

As I told you earlier, I slipped out of a meeting, and I must return to that meeting. All I have left to say is that I share with all of you and I share with ICA the happiness that these 25 years of work and success have brought because of contributions made to the revolution. This is also a time when many scientific centers in our country are anxiously working to help overcome difficulties.

We have high hopes in our scientific centers. If 25 years ago, when we did not know anything but had great trust and a great awareness in the importance of scientific research, we have an even greater trust today. We urge you all from your respective jobs, enterprises, and research centers, to continue working with all the devotion you are capable of giving in order to help the revolution and the country confront the difficulties. We will not delay a single minute in putting all of the achievements from research centers into practice .

This event is something of an international event, and we had another one a few days ago at a blind people's rehabilitation center. I did not what to voice our slogans at that time. However, today, as the majority of the people here are nationals, and the guests are very understanding people and they have an attitude of exchange and friendship, I hope they will excuse me, if I say here:

Socialism or death, fatherland or death, we will win. [applause]

* Further Reporting on Castro Interview

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[For related reporting on this issue see FBIS Latin America Daily Report of 26 September 1990, pp 4, 5]

[Editorial Report] The 5 October issue of the Havana Spanish-language weekly magazine BOHEMIA summarizes on page 36 a recent Castro interview on agricultural and mobilization plans for Havana Province. The article reports Castro as saying that Havana City has the potential to send hundreds of thousands of people to work in agriculture, but that it would be impossible to mobilize all of them. The article also reports that Castro stated that even if the mobilizations lasted three weeks and took place twice a year, the number of people working in agriculture would not equal 200,000, but that it is nevertheless a good idea for there to be massive, voluntary participation.

Risquet Discusses Implications of Missile Crisis

PA0311030290 Havana International Service in Spanish 0100 GMT 1 Nov 90

[Part III of "exclusive" interview with Jorge Risquet, member of the Communist Party of Cuba (PCC) Politburo, by Pedro Martinez Pirez, at PCC headquarters in Havana, date not given—recorded]

[Text] [Martinez] In your opinion, what could be the basic objective of this second Cuba-USSR-U.S. symposium?

[Risquet] The objective is to continue with the historical clarification of all details surrounding that crisis, which placed the world on the verge of atomic war, and reaching positive conclusions so that never again will mankind face the danger of a nuclear holocaust.

[Martinez] The danger of a nuclear attack, however, did not seem to have disappeared. In the Persian Gulf today, for example, the possibility of U.S. action exists that does not rule out nuclear weapons. What is Cuba's position at the meetings with the United States and the USSR?

[Risquet] As you said, the nuclear threat has not disappeared. Our position is not new. The elimination of nuclear weapons and all [words indistinct] weapons would preclude the possibility of a war that would not only destroy civilization, but could also be the end of mankind. I would like to stress that this is what all of mankind wants [words indistinct] is not enough and is not the only danger that exists. It is the most encompassing and dreadful of all dangers, but it is not the only one, as far as Cuba is concerned. For example, like any Third World country, Cuba could face a U.S. attack with other lethal weapons should nuclear weapons and weapons of massive destruction cease to exist. Cuba could still be the target of a U.S. attack, as has recently happened in Panama. The United States attacked a small country like Panama, which is smaller than Cuba, less than a year ago. The attack was not carried out with nuclear weapons, but with conventional weapons. In addition, the United States criminally availed itself of the opportunity to test some new weapons, such as the stealth fighter.

In other words, the international clamor for the elimination of nuclear weapons and weapons of mass destruction will not bring peace, particularly for small countries.

Because of this, it is fundamental to respect the right of every country—be it large or small—to be independent and sovereign, to have the social regime their people choose. The United States has appointed itself the world's policeman and wants to tell small and weak Third World countries what social system and how many political parties they should have, how they should hold their elections, and what their state institutions should be like. In other words, in addition to waging economic destruction, the United States is now humiliating and imposing the U.S. model, its low-life expectancy, its fallacious human and democratic rights propaganda, and multi-party system, on every country. We know, however, that in the United States itself, democratic and human rights have been denied to the great masses of the hungry, the poor, and the black minorities. We also know that the apparent U.S. multiparty sysytem is nothing but a single party that represents the interests of the imperialists. Whether you vote for one party or another, you will always be forced to choose between a representative of the millionaires and a representative of the exploiters. This is why the U.S. voters are less and less interested in voting. It has been observed that in the U.S. presidential

elections, where little more than 50 percent of the voters cast their ballots, the president was elected by 20 percent of the vote. He is thus a minority president, who does not represent the will of the majority of the voters. This often-praised democracy, like a recipe, is what the United States wants to impose on all people. Therefore, it is the right of every people to decide on the type of social and political regime it wants.

[Martinez] Nevertheless, the academicians who went to Moscow and participated in the tripartite symposium did accept the principles advocated by Cuba, remember?

[Risquet] Yes. Yes. The Cuban viewpoint was of course accepted by the Soviet delegation. But it was also accepted by the U.S. delegation, which consisted not only of academicians, but of prominent politicians and government figures such as McNamara; [words indistinct]; General Smith, retired, who was the second in command to General Maxwell Taylor, then the chairman of the Joint Chiefs of Staff; [words indistinct]; and distinguished U.S. professors, including [words indistinct]. This view unequivocally documents the tripartite symposium.

Favors Coexistence With U.S.

PA0311030190 Havana International Service in Spanish 0100 GMT 2 Nov 90

[Part IV of "exclusive" interview with Jorge Risquet, member of the Communist Party of Cuba (PCC) Politburo, by Pedro Martinez Pirez, at PCC headquarters in Havana; date not given—recorded]

[Text] [Martinez] Risquet, it would be interesting for our listeners, particularly in the United States, to learn exactly—if possible, verbatim—what was said in Moscow about the resolution of the [October 1962] crisis.

[Risquet] A final declaration was issued. Wait, let me look for the exact text. I could try to remember it, but it would be better to read it. Here it is, and the page—here it is. The text of the final declaration says: The solution led to positive results because, based on the interests of the parties involved—the USSR, the United States, and Cuba—it was possible to avoid a nuclear conflagration and cast aside the danger that prevailed over Cuba. Nevertheless, the solution did not eliminate the main causes of the Cuban-U.S. dispute, which are still waiting for a just political solution. That is what the final declaration states verbatim.

[Martinez] Risquet, in other words, Moscow recognized that resolution of the crisis was only partially achieved and, obviously, it did not resolve the historical Cuban-U.S. dispute.

[Risquet] Of course, if the crisis had been resolved with Cuba's participation and not with an agreement between just the two superpowers, as occurred, this Cuban-U.S. dispute would have surely been part of the agenda of negotiations. Cuba would have presented the five points that it brought to the world's attention which it did not outline because it did not participate in the negotiations. I am talking about the demand to end the economic blockade; to end all kinds of military harassment against Cuba, including piratical attacks, arming counterrevolutionary bands, and sabotage; to end the infiltration of espionage agents and subversion; to end the overflights of spy planes; and what is undoubtedly a basic demand—the return of the Guantanamo Naval Base, a piece of our territory that the United States has usurped by force and which represents a dagger embedded in our homeland. These points are still valid.

Perhaps we should add the demand to end the aggression via the radio and television airwaves, the latest element in the United States' anti-Cuban arsenal. If all of Cuba's demands are fulfilled, this would represent a sound basis for establishing normal relations between Cuba and the United States, on an equal basis and free of any interference in internal affairs. We, meaning Cuba, are willing to discuss our dispute with the United States any time, based on respect for our sovereignty.

[Martinez] Risquet, this means that normal relations and peaceful coexistence are possible between Cuba and the United States, correct?

[Risquet] A peaceful coexistence between socialist Cuba and the capitalist United States is possible, provided that we respect the principle of each nations' right—regardless of size—to full independence and sovereignty; and the people's right to freely choose the social regime they prefer. In other words, we go back to the previous point, an essential issue because it muddies and causes tension in relations between Cuba and the United States. The United States does not abide by international laws concerning Cuba, and it refuses to accept the reality—which has been evident for more than 30 years and which will last for decades and centuries—meaning that Cuba has chosen the road to socialism and the United States has chosen the road to capitalism. If the people of the United States one day decide to change the United States' social regime, that is up to them—just as Cuba's future is a matter pertining only to the Cuban people.

The document is, in my opinion, important. For more than 30 years, eight U.S. administrations, from Eisenhower to Bush—Eisenhower, Kennedy, Johnson, Nixon, Ford, Carter, Reagan, and Bush—have not recognized this international legal principle concerning Cuba. All those U.S. administrations have followed a policy of blockade, hostility, threats, slander, and interference with regard to Cuba; and we are patiently and firmly waiting for the day when more intelligent and realistic statesmen will modify the U.S. Government's current attitude toward Cuba. This policy has failed until now, and as long as they maintain that attitude, the policy will continue to fail.

[Martinez] Coincidentally, I recently talked with Vice President Carlos Rafael Rodriguez and he also insisted that normal relations can exist, adding that the presence

of scientists, athletes, and others representatives of the people of the United States prove that there is no animosity against the American people in Cuba.

[Risquet] No. The Cuban people are anti-imperialists, but they are not anti-American. They feel no xenophobia toward the people of the United States, meaning the simple Americans who come here, whether scientists, athletes, or tourists—even though U.S. tourists cannot come here according to the current administration's laws.

[Martinez] That is a civil rights violation in the United States.

[Risquet] The American people's human rights apparently do not include the right to travel to the country of their choice as tourists. Cuba is excluded from the tourism alternatives available to millions of U.S. citizens.

Alarcon Claims U.S. Threatening Iraq With War

FL0311125590 Havana Tele Rebelde Network in Spanish 1200 GMT 3 Nov 90

[Text] The U.S. threats of war against Iraq serve demagogical electoral purposes and intentional military [word indistinct] of the Pentagon. This was said by Ricardo Alarcon de Quesada, Cuban ambassador to the United Nations. In remarks made to PRENSA LATINA, the Cuban representative recalled that according to U.S. media polls, President Bush is going through the lowest popularity level in the history of his mandate because of the serious signs of economic recession in his country.

Alarcon added that the public debate in Congress on the way in which an attack on Iraq will be made, even though it represents a serious, planned threat is in fact an attempt to turn Americans' attention toward war, a matter beyond the national borders. He also said the U.S. Government is feeding very dangerous chauvinistic feelings when it proposes to make Saddam Husayn withdraw from Kuwait by force.

Red Sunday Anniversary Preparations Outlined

FL0311191690 Havana Radio Rebelde Network in Spanish 1900 GMT 3 Nov 90

[Station commentary]

[Text] In just a few more hours, we will be holding Red Sunday. every year around this time, we honor Lenin and the Great October Socialist Revolution with a day of country-wide voluntary work.

This time, nevertheless, Red Sunday will have a significance that we can call historic. In productive terms, it is related with the transition toward the Special Period in Peacetime. In ideological terms, it will constitute a ratification of our country's pledge that the island will first have to sink in the ocean before consenting to strike the banners of the revolution and socialism.

This Red Sunday's mobilization will guarantee maximum efficiency, dedication, and superlative good judgment. Current times demand it. Volunteer work will not only support the work where it is useful and necessary, but also where it is both necessary and useful. [sentence as heard]

Some 1.2 million workers are expected to participate in sugarcane and non-sugarcane agricultural activities. This will give an enormous boost to the important food program the country is developing. Hundreds of thousands of other workers will work on tourism, biology, and the Pan-American games projects, as well as projects related to the fourth party congress in Santiago de Cuba. Volunteer work will also take place in ports and in the recovery of raw material production, among other useful and necessary planned activities.

It will be a Red Sunday that will show once more that to build socialism in our fatherland we count with the conscious participation of the masses and the intelligence, audacity, and prestige of our party. that we count with our lively and magnificent youth, the working class, the working peasants, and the scientific, technological, and artistic intellectuals.

In sum, it will be a worthy homage to Lenin and the Great October Socialist Revolution.

Soviet Delegation Arrival Noted

FL0211144790 Havana Tele Rebelde Network in Spanish 1200 GMT 2 Nov 90

[Report by Ismael Tantau from the Jose Marti International Airport]

[Text] The president of the State Committee for Television and Radio Broadcasting of the Kazakh Soviet Socialist Republic, (Azimbaye Sagat) arrived in our country last night. (Sagat) heads the USSR delegation to the celebrations to mark the 73d anniversary of the Great October Socialist Revolution.

(Sagat) was welcomed at the Jose Marti International Airport by the vice presidents of the ICAP [Cuban Friendship with the Peoples Institute] and of the Cuban-Soviet Friendship Association, Eva Seoane, and Luis Felipe Vazquez, respectively.

The Soviet delegation will participate in a broad program of activities commemorating the Great October Revolution to be carried out by our people across the length and breadth of the country.

General Andollo Emphasizes Military Readiness

FL0211133490 Havana Tele Rebelde Network in Spanish 1200 GMT 2 Nov 90

[Text] Cuba is in a position to maintain its high level of military (?preparedness) despite its difficulties in the international sphere, Cuban General Leonardo Andollo has said in Bolivia. The officer made the statement

during an appearance at the National School of Higher Studies in the South American nation.

Andollo, chief of the Engineering Directorate of the MINFAR [Ministry of the Revolutionary Armed Forces], said that our country has weapons for its defense and has, or is obtaining, the resources for the necessary maintenance, modernization, and eventual production of military materiel.

Andollo also reiterated the commitment to the integration of Latin America and, in answer to a question (?about) anti-Cuban television, said that the revolution will never allow the United States to violate the Cuban people's sovereignty and dignity.

Ignacio Gonzalez Appointed SIME Minister

FL0211125790 Havana Tele Rebelde Network in Spanish 1200 GMT 2 Nov 90

[Text] The State Council has decided to appoint comrade Roberto Ignacio Gonzalez Planas as new minister of the steelworking industry to replace comrade Marcos Lage Coello, who will be transferred to other duties. Gonzalez Planas had been serving as first vice minister of the same ministry.

The new minister of the steelworking industry is 47 and a native of Havana City. He graduated in steelworking engineering in 1966 in the USSR and obtained a degree in social sciences in 1980 in Havana. He began working in Antillana de Acero in 1966 as deputy chief and was chief of the [word indistinct] workshop until 1968, when he was appointed the enterprise's production chief.

Gonzalez Planas, also in 1968, worked as an investor [as heard] in iron and steel development of the northern part of Oriente in the Mining and Steelworking Ministry. In 1969, when those activities were transferred to the Ministry of Basic Industry [MINBAS], he was named director of iron and steel development of that ministry, a post he held until 1974, when he was promoted to vice minister for technical development of the MINBAS, where he remained for a few months until the SIME [Ministry of the Steelworking Industry] was created and he was named its first vice minister.

The new SIME minister, Roberto Ignacio Gonzalez Planas, has been a member of the Communist Party of Cuba [PCC] since 1967. He was a delegate to the Third PCC Congress.

Shenin Calls for End to U.S. Embargo

FL0211135690 Havana Tele Rebelde Network in Spanish 1200 GMT 2 Nov 90

[Text] Soviet Communist leader Oleg Shenin today described his recent trip to Cuba as fruitful and called for an end to the U.S. embargo against the island. Shenin, a member of the CPSU Politburo and Secretariat, said that there is no basis for the current embargo, and that he advocates a normalization of relations between Washington and Havana, although he noted that there are many serious obstacles and barriers of principle in the way of achieving that aim.

In an interview with PRAVDA, Shenin said that relations between the CPSU and the Communist Party of Cuba [PCC] are normal. He expressed confidence that these relations will be maintained at that level in the future.

Belorussian Deputies on Bilateral Contacts

FL0211172690 Havana Tele Rebelde Network in Spanish 1337 GMT 2 Nov 90

[Excerpt] Last night, Belorussian deputies Lieutenant General (Vladimir Vasil'yevich Kabayonok), and Professor (Anatoliy Yegorevich Volkov) departed for the USSR. They spent 10 days in our country on the invitation of the Public Health Ministry. Shortly before leaving, they gave an interview to our reporter:

[Begin recording] [Reporter] Cuba had the privilege of hosting two deputies from the Belorussian Soviet Socialist Republic. They are Lieutenant General (Vladimir Vasilyevich Kabayonok), cosmonaut, twice-named hero of the USSR, and deputy chief of the Center for the Training of Cosmonauts, and (Anatoliy Yegorevich Volkov), professor of the Belorussian Academy of Sciences and member of the special parliamentary commission for problems related to the catastrophe of the Chernobyl electronuclear plant. They gave their impressions of the treatment being received by the children who were affected by the Chernobyl disaster.

[(Kabayonok), in Russian with simultaneous Spanish translation] At the invitation of the Cuban Public Health Ministry, we two Belorussian deputies have been here on this magnificent island of Cuba from 22 October until today to learn about the progress of the children who were affected by the accident at the Chernobyl center. We have studied in- depth the state of health, the state of infant prophylaxis and the state of basic activities being carried out in the sphere of medicine.

We have viewed with great attention the Jose Marti Center, where the Soviet children are already improving, and we have reached the conclusion that Cuba has all the necessary medical, scientific, organizational and basic medical materials to improve the health of children from the USSR, including our children from Belorussia, on a large scale: many thousands of children.

Today, we met with our ambassador to the Republic of Cuba. We told him the conclusions that we had reached regarding the state of public health in Cuba. We expressed the opinion that Belorussia should establish direct contacts with Cuba. Our ambassador approved this and we told him that on returning to the USSR and Belorussia, we will provide a detailed report to the Belorussian Supreme Soviet and the government of our republic, stating that it is necessary to put those contacts

on a new level, on a scientific basis. We will do everything possible to ensure that this process is based on a new principle: examination and selection on the basis of basic research between Soviet and Cuban specialists. [passage omitted] [end recording]

Bilateral Health Symposium Held in Beijing

FL0311140290 Havana Tele Rebelde Network in Spanish 1200 GMT 3 Nov 90

[Text] Prominent Chinese biology specialists and researchers have praised the high level of Cuban medicine after attending the opening conference of the Cuba-China Health for All Symposium that began in Beijing. Dr. Manuel Limonta, director of the Center of Genetics and Biotechnology of Cuba, gave a lecture on the progress of these sciences in our country. Over 160 medicines can be produced in Cuba.

For his part, Professor (Zhang Ye Hao), director of the Chinese Biology Association and the Microbiology Society of Beijing, expressed his wish of beginning cooperation with Cuba in the field of health as soon as possible.

The meeting in the Chinese capital has gathered over 200 scientific figures and representatives of the industry and trade related to the medical sector. The Cuban-Chinese symposium will end next Tuesday.

Minister Received by Official

FL0311193690 Havana Radio Reloj Network in Spanish 1902 GMT 3 Nov 90

[Text] Chinese-Cuban cooperation in the field of medicine has broad possibilities. This was said to our country's delegation today by Li Tieying, member of the State Council and the Politburo of the Chinese Communist Party. The Chinese host received Public Health Minister Julio Teja at the Great Hall of the People.

Teja is heading a delegation of Cuban specialists attending a bilateral symposium being held in Beijing. The Chinese leader expressed the wish to initiate a renovated stage of mutual cooperation in the sector. He asked to convey to Commander in Chief Fidel Castro greetings from Premier Li Peng and Jiang Zemin, secretary general of the Chinese Communist Party. For his part, Teja said this meeting is a first step toward the strengthening of Chinese-Cuban ties in the field of health.

DPRK To Extend Aid for Hydroelectric Project

FL0211151090 Havana Tele Rebelde Network in Spanish 1200 GMT 2 Nov 90

[Text] Work on the Toa-Duaba hydroelectrical complex will soon begin in Baracoa, Guantanamo. The project will receive material support and technical advisory services from the DPRK.

The project will be directed toward making use of the overflow from the Toa River, the most turbulent river in Cuba, and the Duaba River, to produce inexpensive electrical energy and create an energy reserve that will make it possible to cope with a breakdown in any of the plants in the nation's electrical grid.

Dominican President Receives Official Delegation

FL0311015590 Havana Television Service in Spanish 0100 GMT 3 Nov 90

[Telephone report by Carlos Sanabia Marrero from the Dominican Republic]

[Text] The president of the Dominican Republic, Dr. Joaquin Balaguer, held a special meeting today to receive Cuban Higher Education Minister Carlos Fernando Vecino Alegret. The Cuban minister heads the delegation responsible for transferring the remains of Francisco Henriquez y Carvajal from Santiago de Cuba to the cemetery for leaders of the fatherland here in Santo Domingo where he was laid to rest yesterday.

During the fraternal meeting held in a climate of frank dignity and much [words indistinct], Vecino Alegret conveyed greetings from our commander in chief, Fidel Castro, to the Dominican president and all the people of this fraternal Caribbean nation. The greetings were in turn reciprocated by President Balaguer.

At the conclusion of the meeting, which ended just a few moments ago in the Presidential Palace in Santo Domingo, Dr. Balaguer granted an exclusive interview to Cuban television in which he stressed the historic ties of brotherhood between the Dominican Republic and Cuba.

Today, the president said, we also share the problems generated by the crisis we are facing, the problems that arise from the Arab-Persian Gulf situation. We are two countries that are intimately linked, he said. That is why I think relations and fraternity between the two peoples is more extensive, and I am very optimistic about the destiny of the two nations. Balaguer's remarks for Cuban television came at the conclusion of his meeting with our country's official delegation headed by Minister Fernando Vecino Alegret, on the occasion of the transfer to Santo Domingo of the remains of the illustrious patriot Dr. Henriquez y Carvajal.

Expresses Gratitude to Castro

FL0211200590 Havana Tele Rebelde Network in Spanish 1800 GMT 2 Nov 90

[Telephone report from Dominican Republic by Carlos Sanabria Marrero]

[Text] Dominican President Joaquin Balaguer has expressed his appreciation to Commander in Chief Fidel

Castro for the Cuban Government's courtesy that made possible the repatriation of the remains of Francisco Henriquez y Carvajal. Cuban Minister Vecino Alegret conveyed to the Dominican president personal greetings from the top leader of the Cuban revolution which were also extensive to the fraternal people of this nation, fatherland of Generalissimo Maximo Gomez.

Today at 0830, Minister Vecino Alegret gave a news conference at the Dominican Concord Hotel, where the official Cuban delegation is staying. Later, our mission paid a visit to the Autonomous University of Santo Domingo. It is expected that the Cuban delegation will be received by President Dr. Joaquin Balaguer during the course of the day.

German Consul Released After Negotiations

PA0311002490 Paris AFP in Spanish 2316 GMT 2 Nov 90

[Text] Oaxaca, Mexico, 2 Nov (AFP)—The Oaxaca State Government has announced that Wolfgang Wilczek, the German consul in Mexico, was released on Friday afternoon by those who held him captive in this city for five days.

Wilczek, who has not yet been officially recognized as consul, was held in his office by members of the National Independence Committee for the Defense of Political Prisoners, Missing People, and Exiles, who demanded the immediate release of Felipe Martinez, former rector of the state university, who was accused of having ties with a subversive group.

According to official reports, "the German consular office in Oaxaca was evacuated and Wilczek was released at 1530 (2130 GMT) through the mediation Ildefonso Zorrilla, general secretary of the Oaxaca government."

In a telephone conversation with AFP, Wilczek said: "I was treated adequately, under the circumstances. However, I have mixed feelings. There were several moments when the situation became very tense."

"No medicine or food was given to me during the last 24 hours, and I resented that very much," he added.

Furthermore, he noted that in exchange for his release, his captors were promised that they would not be prosecuted for any crime and that the Oaxaca government would help in defining Martinez' legal situation. An amparo was filed for Martinez on 20 September, but nothing has been done about it.

Mexico State Denies Involvement in Clashes

PA0411043890 Mexico City NOTIMEX in Spanish 0150 GMT 4 Nov 90

[Text] Toluca, Mexico State (NOTIMEX) - The State of Mexico government denied the alleged participation of the municipal police in today's clash in Ixtapaluca "between two groups of inhabitants, with one group being a member of the Peasant Torch (Antorcha Campesina) [AC] organization."

According to an official communique issued by the State of Mexico government, the municipal and riot police stationed in Ixtapaluca's municipal capital "went to the scene unarmed and prevented any further clashes."

The communique added that 450 unarmed troops are still in the area "to prevent likely new clashes" between the groups of inhabitants from the area called "San Jose Chalco."

According to the State of Mexico authorities, the neighbors of San Juan Tlalpitzahuac and the inhabitants of San Jose Chalco, "members of the AC," clashed at noon in a dispute over land for housing.

The official communique adds that two people died, two were wounded, five were beaten, and 17 were arrested.

The communique says that "the State of Mexico government will act with full force against the initiators of this clash and will prevent the leaders of both groups from causing any further clashes by strictly enforcing the law."

IFE Approves More Funds for Political Parties

PA0211132890 Mexico City NOTIMEX in Spanish 0024 GMT 31 Oct 90

[Text] Mexico City, 30 Oct (NOTIMEX)—The 40 billion additional pesos approved for political parties by the General Council of the Federal Electoral Institute (IFE) [Instituto Federal Electoral] on 29 October ensures the parties' independence from the government or interest groups.

Cesar Augusto Santiago, electoral action secretary of the CEN [National Executive Committee] of the PRI [Institutional Revolutionary Party], and PRI commissioner told the IFE that independence from the government has only been assured since the political parties began receiving financial aid.

The philosophy behind the public funding, he added, is for political parties to have a minimum of resources available in order to enjoy complete freedom from the government and from interest groups.

In accordance with the Federal Electoral Code, the former Federal Electoral Commission agreed to distribute a total of 95.8125 billion pesos in the 1989-1991 to the registered parties.

Funding was established, he explained, on the cost of a political campaign and on the number of seats each party wins.

The PRI leader supported the modifications of the party funding law because, as he stated, the distribution of funds is more just, and guarantees a minimum of financial aid to the smaller political organizations.

The 40-billion-peso increment, which increases the total funding budget to 106 billion pesos, will be distributed among the political parties beginning January 1991.

Referring to the 11 November elections in Mexico, Santiago said: "National destiny is not at stake, nor is the sovereignty of the fatherland in jeopardy, so we must all keep the elections in proper perspective."

It is the opposition parties that are "looking for minor errors and blowing them out of proportion, going as far as to speak of violence, but they must consider the invitation made by PRI leader Luis Donaldo Colosio for the election process to be a peaceful and, of course, democratic one."

Santiago rejected that the PRI had "given away" the election for mayor in Ciudad Acuna, Coahuila, to the Mexican Cardenist Party candidate, Evaristo Perez Arreola, and denied that his party was planning to request the annulment of those elections.

The PRI, he stressed, participated in the 28 October elections in Coahuila "hoping to win, but unfortunately, in places such as Ciudad Acuna, came in 150 votes behind."

El Salvador

Cristiani Discusses U.S. Military Aid Cut

PA0211133090 San Salvador LA PRENSA GRAFICA in Spanish 1 Nov 90 p 2

[Text] President Cristiani has said that "the Defense Ministry, the Armed Forces, and other institutions will not undergo any changes. They will continue their normal operations to defend the security of the country and the people."

President Cristiani said this when asked how the conditioning of 50 percent of U.S. military aid would affect the Armed Forces. Cristiani said there will be no changes in operations or any other government programs.

"The amount that has been approved is equal to that of last year ($5 million). Part of it is conditioned. I hope the militarist sectors of the FMLN [Farabundo Marti National Liberation Front] do not interpret this as a weakness of the Armed Forces; it would be regrettable if it encouraged violence from the FMLN," he added.

He said he believes there is no need to replace those funds that are conditioned, and that there will be no need to seek their replacement for the time being.

When asked about the possibility of that aid being cut definitively, he said: "Let us hope that we end the armed conflict and that the aid is transferred to socioeconomic programs. We believe it would be more beneficial to help those sectors than to continue the conflict; whether we can advance faster or slower in that sense will depend on the FMLN."

In response to another question the president said that some have reached the conclusion that the conditioning of aid will weaken the Armed Forces, and that if the FMLN believes that, the cut will not help the negotiation process.

He added that if the FMLN wants to negotiate, there should be no problem ending the armed conflict.

In conclusion, he denied that his government is taking steps to obtain military aid from other countries. He says this is unjustifiable, hence unnecessary.

Cristiani, High Command on National Situation

PA0311043790 San Salvador EL DIARIO DE HOY in Spanish 2 Nov 90 p 3

[Text] President Alfredo Cristiani met all morning yesterday with the Armed Forces High Command to analyze the national situation and report the results of the last meeting held between government and FMLN-FDR [Farabundo Marti National Liberation Front-Democratic Revolutionary Front] delegates earlier this week in Mexico.

According to [our] information, during the meeting it was agreed to grant UN delegate Alvaro de Soto the role of mediator.

Yesterday's meeting, considered routine, was carried out in the office of Defense Minister Colonel Rene Emilio Ponce's and included the participation of other High Command members.

It was unofficially reported that the topics discussed in the meeting include the government's position in the negotiations with the FMLN-FDR and the fact that "the existence of the Armed Forces is not negotiable." It was admitted, however, that a reorganization may be carried out based on the needs that arise from the current situation.

It was also reported that the principle of confidentiality was reasserted during the meeting that was recently held between the government's delegation and the FMLN-FDR terrorists, adding that Dr. De Soto will decide whether or not he will answer journalists' questions.

The Army reiterates that, regarding the purging of its ranks, the armed institution already expects that when charges are filed, those involved in crimes will be sent to court.

The number of chiefs, officers, NCO's, and soldiers who have been discharged and arraigned before a court speaks for itself.

Military Moves Against Rebels in Guazapa Area

PA0211181390 Panama City ACAN in Spanish 1720 GMT 2 Nov 90

[Text] San Salvador, 2 Nov (ACAN-EFE)—The Salvadoran Armed Forces today launched an extensive air and ground military operation against alleged rebel positions in the area north of San Salvador. The explosions caused much alarm in the capital city.

According to military sources, the operation is directed at dislodging the Farabundo Marti National Liberation Front [FMLN] guerrillas from their positions on Guazapa Hill and in Suchitoto, in the Departments of San Salvador and Cuscatlan, 30 km from San Salvador.

At least 20 powerful explosions were heard shortly after 1000 (1600 GMT). The explosions, which continued for more than 30 minutes, caused great alarm among the residents of San Salvador, a city of approximately 2 million inhabitants. San Salvador today is very quiet because it is a national holiday.

A military spokesperson said that troops of the First Infantry Brigade, with headquarters in San Salvador; Military Detachment No. 5, with headquarters in Chalatenango, approximately 70 km north of San Salvador; and Army elite troops, with the support of the Air Force, are participating in the operation.

The FMLN has one of its main strongholds on the slopes of Guazapa Hill. This area is always the site of violent confrontations between the rebels and the government troops.

Various Salvadoran sectors have not discarded the possibility that there will be more FMLN actions as 11 November draws nearer. On that day, El Salvador will recall the first anniversary of the bloodiest military offensive launched by the rebels since the beginning of the war in El Salvador 10 years ago.

Guerrillas, Army Clash; Military Academy Attacked

PA0411031590 Panama City ACAN in Spanish 1536 GMT 3 Nov 90

[Text] San Salvador, 3 Nov (ACAN-EFE)—A military source reported today that two guerrillas were killed and three soldiers were wounded in clashes throughout the country over the past few hours.

The Army spokesman said that one guerrilla was killed and one soldier was wounded in an early morning attack by the guerrillas at a military academy 12 km southeast of San Salvador.

The Army spokesman explained that the guerrillas used rifle fire and "catapults" in the attack. The military training center was not damaged.

Also, two soldiers were wounded in a clash on the outskirts of Ciudad Barrios, San Miguel Department, about 130 km east of San Salvador, the spokesman said.

In addition, a Farabundo Marti National Liberation Front (FMLN) guerrilla was killed yesterday when he confronted government troops in the village of Arambala, in war-torn Morazan Department, about 170 km northeast of San Salvador, the Army spokesman added.

The FMLN announced yesterday that it had inflicted 4,964 casualties on the Army in clashes in various parts of the country during the first 10 months of 1990.

Yesterday, for the second time in less than a week, the Salvadoran Air Force bombed alleged guerrilla positions on Guazapa hill, 24 km north of San Salvador, after FMLN urban commandos increased their attacks against military installations in the capital. In an attack against the Army's General Staff, two civilians were killed.

Government Views FMLN Confidentiality Agreement

PA0211200390 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 2 Nov 90

[Text] The Salvadoran Government asserted that the secrecy mechanism approved with the guerrillas during the three-day meeting in Mexico will expedite the peace negotiating process. Presidency Vice Minister Ernesto Altschul asserted that the guerrillas had disclosed the matters discussed at each meeting and this had been one of the obstacles impeding any further advancement in the peace process. The fact that the rebels made a circus out of the talks delayed our attaining peace, Altchul stressed. He also stated that the Farabundo Marti National Liberation Front [FMLN] continues to uphold its uncompromising position.

The government and the FMLN delegations signed a confidentiality agreement in Mexico recently. This agreement, which had been proposed by the United Nations, bans both parties from giving statements concerning the negotiating process. The parties also agreed that UN mediator Alvaro de Soto would be the only spokesman for the talks.

Salvadoran civic organizations have objected to this agreement, however, stating that it strengthens the position of negotiating behind the people's backs. Reverend Edgar Palacios, coordinator of the Permanent Committee for the National Debate that comprises 70 civic organizations, stated that the negotiations have fallen into formalities and do not cover realities. The government and the FMLN delegations will probably continue their talks in Mexico next week. These negotiatons started in May and hopefully will end a decade of war which has killed more than 100,000 people in El Salvador.

Sixth FMLN-Government Talks Postponed

PA0311031990 San Salvador LA PRENSA GRAFICA in Spanish 2 Nov 90 p3

[Text] The meeting that the government and the FMLN [Farabundo Marti National Liberation Front] were to hold in Mexico next week has been postponed because the parties agreed to seek new mechanisms that would accelerate the negotiating process.

This was learned officially yesterday from reports originating in Mexico.

"During a telephone conversation from Mexico with the ASSOCIATED PRESS, an FMLN spokesman said that in a recent meeting held in Mexico City, the two parties decided to postpone the sixth round of talks to seek, together with UN representative, new procedures and mechanisms to accelerate the process."

Members of the Government Dialogue Commission [Comision de Dialogo del Gobierno—Codial], Oscar Santamaria, David Escobar Galindo, and Colonels Mauricio Ernesto Vargas and Juan Antonio Martinez Varela traveled to Mexico on Sunday and met with FMLN members during the week. The FMLN delegation included Salvador Samayoa, Guadalupe Martinez, and Ferman Cienfuegos. Jorge Shafik Handal was not present at the meetings.

During the talks, which ended yesterday, the parties agreed that the conversations will be held behind closed doors and that any request for information on them will be responded to by the UN representative.

They also agreed to emphasize De Soto's mediating role more.

It was established that De Soto will hold separate consultations with the parties and that through this procedure a new date will be set.

Escobar Galindo explained to LA PRENSA GRAFICA that the new mechanisms will allow them to reach agreements to put an end to the armed confrontation.

Colonel Aviles Refutes Buckland's Assertions

PA0411141390 San Salvador Radio Cadena YSKL in Spanish 2000 GMT 31 Oct 90

[Text] Colonel Carlos Armando Aviles, who assumed the command of Department 5 of the Armed Forces Joint Staff in November, today expanded his testimony on the Jesuit murder case, which is being handled by the Fourth Criminal Judge. Upon leaving the court, Col. Aviles described as surprising and incredible the remarks by U.S. Major Erick Buckland, who said at the same court that he, Buckland, knew Col. Aviles had persuaded Col Guillermo Alfredo Benavides not to lead the operation at the Jose Simeon Canas Central American University. Here is Col. Aviles:

[Begin Aviles recording] Maj. Buckland's remarks are truly surprising and unbelievable because 10 days prior to the events, when, according to him, I was ordered by the Chief of Staff to persuade Col. Benavides at the Military Academy, I was out of the country. I left the country with my family for New Orleans on 31 October on my two-week leave and returned on 14 November. The situation causes considerable concern because this is Maj. Buckland's most serious charge and one that jeopardizes, not only an institution, but the country as well.

I want to report that, with these remarks, Maj. Buckland has harmed me professionally and morally; he has hurt my family in particular. Maj. Buckland's mental state is imbalanced and disturbed. I would like to ask Maj. Buckland to strip himself of his diplomatic immunity and come to the country as a common witness to face the situation as he should. He came to the country and testified without the presence of any member of the judicial branch who could have questioned him and clarified any doubts. He came instead with the immunity granted to him by the Vienna Convention. This is unfair to Salvadoran justice. I think that truth will shine forth as time passes. It is wrong for the U.S. Government to let Maj. Buckland play with his sworn testimony in a way that clearly shows he is distorting truth. [end recording]

Guatemala

Cerezo Blames 'Traditional Sectors' for Killings

PA0311033190 Guatemala PRENSA LIBRE in Spanish 1 Nov 90 p 17

[Text] During a ceremony yesterday at Mezquital to officially transfer ownership of plots of land to people who had illegally taken them over, Guatemalan President Vinicio Cerezo said that the traditional sectors, who wielded power in the past, have come out into the open to kill reporters and political leaders to anger the people and cause fear and destabilization. The same groups from the past are seeking to create the proper climate to again elect a president who represents them so they can attain power, he said.

Cerezo asserted that the violence of the recent months was provoked by groups who were deprived of power and who now want to return to power to keep the country in the same condition as in the past. The president added that the Guatemalan people should be aware of this situation and urged the voters to reject at the ballot box any attempt to return to the time of blood and suffering when the Guatemalan people were prevented from resolving their problems, he concluded.

Dialogue Members on Talks, Metepec Declaration

PA0211133290 Paris AFP in Spanish 0230 GMT 26 Oct 90

[Text] Metepec, Mexico, 25 Oct (AFP)— Guatemalan guerrilla groups, civic groups, and labor groups concluded the first phase of their talks on 25 October in Metepec, located 100 km southeast of the Mexican capital, and issued a declaration which states that a National Constituent Assembly should be urgently convoked to carry out the necessary reforms and eliminate the organizations and laws which preclude the achievement of peace.

The document, called the Metepec Declaration, states that the Constituent Assembly must have "a truly participatory nature" to discuss "constitutional reforms which allow the perfection of democracy."

The text, which is the result of three days of talks, states: "It is a matter of ending the armed conflict rather than solving its structural causes," but, to achieve this, "a legitimate institutionalization must be created and all the repressive groups and laws must be abolished."

UN Observer Francesc Vendrell, has reported that a second phase of the dialogue will start between the Guatemalan National Revolutionary Unity [URNG] and business and university representatives following a recess on Friday, 2 November. He added that the dialogue may end on Monday, 5 November.

Guerrilla Commander Pablo Monsanto, who is participating in the dialogue process, stated: If the attack reportedly perpetrated last night against Christian Democratic candidate Alfonso Cabrera is confirmed, this would be "the result of a division within the Army and between the different political groups" in the country.

The Army is divided, and one of its most radical groups, "the one that wants an all-out war and that supports former President Efrain Rios Montt," does not want the Christian Democrats to remain in government, added Monsanto, commander in chief of the Revolutionary Armed Forces and member of the URNG.

The dialogue in Metepec is the fourth and last of the meetings foreseen in the Oslo Agreements—the previous meetings were held in Spain, Canada, and Ecuador—before starting direct peace talks between the Guatemalan Government and rebels.

In previous meetings the URNG talked with the political parties and with business and religious groups.

The tension prevailing in Guatemala is also felt in the electoral sector, "but I do not think that only the Army decides matters in Guatemala, because the country's democratic process has also been carried out within the Armed Forces," said Vendrell, who is a personal representative of UN Secretary General Javier Perez de Cuellar.

The URNG, founded in 1982 by four guerrilla movements in Guatemala, will try to embark on direct negotiations with the Army and the government after the authorities are elected on 11 November.

When and where the dialogue will be held, Monsanto said, "depends on the new government and the Army's conditions. President Vinicio Cerezo has not been able to talk with us because the Army always opposed it."

According to humanitarian organizations, the war in Guatemala has resulted in 100,000 dead, wounded, and missing over the last three decades.

URNG Leader Views Talks With Army, Government

PA0411162790 Mexico City NOTIMEX in Spanish 1150 GMT 28 Oct 90

[Text] Metepec, Mexico 28 Oct (NOTIMEX)—Commander Gaspar Ilom has said that the Guatemalan National Revolutionary Unity (URNG) will not lay down its weapons before holding talks with the government and the Army, "because its arms represent the only guarantee for carrying out political negotiations."

Ilom, a member of the URNG's General Command, made the aforementioned statements in response to news reports saying that Defense Minister General Leonel Bolanos had asked the government not to negotiate with "subversive elements" until they lay down their weapons.

"The dialogue cannot be canceled by simply making statements," said the rebel commander Ilom, whose real name is Rodrigo Asturias. He is the son of Miguel Asturias, first Latin American Nobel laureate for literature.

In an interview with NOTIMEX, Ilom added that regardless of Bolanos' statements, the Army and the government will have to accept the climate of national consensus to resolve the historic problems of Guatemala through political negotiations and dialogue.

"Opposing the dialogue will not only be an irresponsible act, but also a political blunder, because sooner or later we will have to negotiate," said Ilom. He got his name from a novel by his father called "The Men of Corn" [Los Hombres del Maiz], where a peasant who fights against injustice plays the main character.

Gaspar Ilom said that the solution to the armed struggle and social injustice in Guatemala "will not result from elections but from a national consensus." Ilom is also commander in chief of ORPA (Revolutionary Organization of People in Arms), one of the four rebel organizations that make up the URNG.

The rebel leader, who joined the guerrilla movement in 1961, said that the peace process in his country has received attention from the international community and has strengthened the struggle for democracy in Guatemala.

Ilom said that the Guatemalan rebels do not follow any ideology. "We do not underestimate the election results in the peace process of Guatemala," he added.

Ilom said that the greatest challege the country is facing today is the dialogue. He added that the decision of the government to continue the dialogue process can become "its most fortunate decision or its most serious problem."

Ilom continued: "The next government that will be elected on 11 November in the first round of elections will have to demonstrate its firm political willingness to continue the dialogue process. [no closing quotation marks as received]

"Today the problems within the Army represent a real obstacle to peace," said the guerrilla leader, adding that the forceful takeover of power by the URNG is no longer one of its objectives.

The URNG commander stated: "He who wins the presidential elections will have to face the aforemetioned problems within the Army. This will be a turning point for him to successfully carry out his presidential duties and lead the new government."

Ilom noted that the URNG believes that there is a new trend being formed within the Army that supports political negotiations.

Asked whether the URNG has given up its strategy of seizing power through weapons, Ilom explained that the URNG is "for the creation of a social pact and for a democracy that will bring development and justice."

Ilom added: "One is simply dealing with a process of achieving the aspirations of the rebels, resulting from national and international conditions. These conditions will make a politically negotiated solution to the conflict possible."

Holding negotiations with the government and the Army, Ilom added, does not represent a military or political defeat for the guerrillas, but a real possibility of achieving their aspirations as well as a moral obligation to reduce the social cost of the war.

Commander Gaspar Ilom concluded that the breaking of silence in Guatemala, the creation of a national consensus for peace and democracy, and the international support—including that of the U.S. State Department—are all factors which force the government and the Army to hold negotiations and talks with the URNG.

URNG Claims Credit for Power System Sabotages

PA0411165990 Guatemala City PRENSA LIBRE in Spanish 30 Oct 90 pp 19, 68

[Text] The Guatemalan National Revolutionary Unity (URNG) has claimed credit for the acts of sabotage carried out against the power system in the capital and in the southern part of the country. Meanwhile, in northern and western departments, it extended its propaganda campaign with the slogan, "Dialogue is struggle, not surrender," according to CERIGUA news agency.

According to a press communique, the URNG claimed it blew up two power towers in Palin Municipality, in the southern department of Escuintla, on 24 October. On 25 October it blew up two electricity poles in a Guatemala City industrial zone.

The rebels also reported that during a rally on 21 October, they released Army specialist David Yax Zul, who was captured several days ago and whose state of health is good. There are no signs that he was beaten, and this has been confirmed by the passengers in vehicles who were stranded on the road linking municipalities in La Libertad in the northern Department of Peten.

The rebels conducted propaganda activities in Peten between 19 and 25 October during the takeover of nine hamlets, cooperatives, and roads in the municipalities of La Libertad, Sayaxche, and Dolores. They conducted rallies, distributed leaflets, and put up banners with the slogans of their national campaign: "Democracy is what the people need."

In this same department, on 14, 16, and 17 October, the guerrillas attacked moving troops and military installations in the municipalities of Sayaxche and La Libertad; they inflicted six casualties and destroyed an Army truck.

In the departments of Quiche and Huehuetenango, the rebel forces carried out propaganda activities on roads and in towns in the municipalities of Cotzal, Chajul, and Nenton between 11 and 25 October.

The URNG's propaganda campaign includes postulates calling for a real democracy and stating that dialogue is a struggle and not surrender. The campaign was also broadcast by radio stations nationwide, according to the CERIGUA dispatch.

Five Bombs Set Off on 30 Oct; No Casualties

PA0211162990 Guatemala City Teleonce Television in Spanish 0400 GMT 31 Oct 90

[Text] Five terrorist bombs went off in Guatemala City and the interior of the country on the night of 30 October. They caused damage but no casualties. A homemade bomb was placed at the wall of a building where Radio Emisoras Unidas is located on Sixth Street and Seventh Avenue in the capital's ninth zone. Another homemade bomb was found near an important hotel on First Avenue and 14th Street in zone 10. The bomb was defused by a plainclothes policeman and two armed men.

Four bombs went off in the interior of the country. They went off in the departmental capital of Huehuetenango, in the central park in Solola, in the municipal building in San Antonio Palopo, Solola Department, and in Mazatenango, Suchitepequez Department, where the explosion caused a power blackout for more than 30 minutes. The fire department in Guatemala City received many telephone calls reporting the placement of other bombs but most of the cases involved false alarms.

Nicaragua

Resistance Group Supports Agreement Document

PA0111235090 Managua Domestic Service in Spanish 1200 GMT 31 Oct 90

[Text] The Nicaraguan Resistance for Civic Organization has issued a communique stating its position regarding the economic and social agreement signed by the government and labor union, but which Cosep [Higher Council of Private Enterprise] did not sign. In the communique, the group states that consensus is the correct way to find national reconciliation and economic reconstruction. This process cannot be imposed, just as national reconciliation cannot be imposed; both must be guided by justice.

The Nicaraguan Resistance for Civic Organization reports to the public that it agrees with 90 percent of the points in the agreement. Speaking on behalf of 5,400 Nicaraguan Resistance members who are affected by confiscations and arbitrary actions, the group asks President Violeta Barrios de Chamorro to extend by 180 days the implementation of Decree 1190.

Cosep Leaders Gurdian, Cuadra View Agreement

PA0211205990 Managua Domestic Service in Spanish 1858 GMT 30 Oct 90

[News conference by Ramiro Gurdian and Gilberto Cuadra of the Higher Council of Private Enterprise (Cosep) with unidentified moderator and reporters in Managua on 30 October—recorded; broadcast in progress]

[Text] [Moderator] We will now hold a question and answer session.

[Reporter] There were two sets of talks between the FNT [National Workers Front] and the government prior to the dialogue held in the Olof Palme Convention Center. This caused much resentment toward Cosep and its member organizations represented at the meeting. What kind of agreement does Cosep think the government reached with the FNT?

[Gurdian] I think it is obvious to all Nicaraguans that while the dialogue was being encouraged, and while we were fighting for dialogue as the sole forum to air problems, the government did not want it to be the only forum. The government had struck agreements with the Sandinist workers outside of the concerted effort. Negotiations were conducted outside the concerted effort, which indicated the increased demand for the government to reduce the fiscal deficit by transferring workers from the public to the productive sector. The workers never accepted the occupational transfer plan, however, a government plan which we fully supported. It is clear, therefore, that negotiations were constantly being conducted.

[Moderator] This was Gurdian. Any questions?

[Reporter] [Words indistinct] of Noticiero Nacional. Could you tell us which points those were [words indistinct]?

[Cuadra] Well, we would have to find the document, which contains 11 or 12 pages. What the initial document truly sought was an opportunity to transform our country's economy from one that made heavy use of resources to finance bureaucracy, weapons, and inefficient manufacturing plants to one committed with dignity to permanent production activities. The document also sought an opportunity for the Nicaraguans to protest the unfair harm sustained during the previous decade. The Nicaraguan people were limited by the existence of Laws 85 and 86, which is about to be end, which we think render legal the great free-for-all of the 10 years [of Sandinist government], and the period following elections prior to the swearing-in of the new president.

[Gurdian] Let me be a little more specific. For instance, the government platform mentions no transition protocol. The extant government did it in opposition to this procedure. This transition protocol also included a pronouncement by the National Assembly. Both the National Assembly and the executive branch acted irresponsibly. It has been said that all of the properties distributed prior to 25 February will be respected. Our stand on this point is very clear. We cannot respect something that has been achieved illegally. We do not know if those properties were handed out, for instance, through blackmail, murder, kidnapping, or theft. We are determined to resist this. It would be necessary to check on these actions. We could not support any crime. Our position is clear. We reported both to the executive and the legislative branches that we disagree with this decision. I think this clarifies the situation a little more. In addition, the government plan regarding the return of property is clear. All Nicaraguans will get their property back. It has even been said that those people affected by this decree are entitled to a review of their cases. Properties could be returned to their former owners if they were illegally confiscated. Consequently, these things contradict both the transition protocol and the National Assembly.

[Reporter] Engineer, you said that [words indistinct].

[Cuadra] I would say we do not have anything to say at present. Any other questions?

[Reporter] Our president left the concerted effort document open so that Cosep leaders could sign it. Would Cosep sign those portions of the document with which they agree and make a reasoned statement explaining why the organization does not agree with the rest of the document? [Words indistinct].

[Cuadra] Well, I will tell you, Agustin, that we would sign the document provided we make some additions. We did not sign it precisely because it fell short of the objective. It is not that we oppose the document's contents, but it lacks many things we feel should have been included. This is why we said we all agreed on the original document. As the FNT kept pressuring the government, the document's contents kept getting shorter and shorter until it became like a Christmas list. But Christmas lists must be based on a budget. They must follow a plan. This is what we disagreed on.

[Reporter] What aspects would you like specifically included, because thus far you have not clearly stated those points?

[Cuadra] I will read the points we want included. That will be enough. These points were mentioned in a statement we issued on 24 October, which reads as follows: According to Decree 11-90 and applicable laws, the properties and titles unjustly confiscated or affected at any time or in any way should promptly be totally or partially returned. In the same manner, to make sure Decree 11-90 and pertinent laws are really effective, the abrogation of Laws 85 and 86 must be promoted and all its effects annulled. For the benefit of all Nicaraguans who are entitled to have their properties returned but have not yet filed their requests, the period established by Decree 11-90 should be extended for one year. Once the indemnification is made through the distribution of state bonds, the bonds will be subject to preferential rates for the purchase of properties and firms that are to be privatized.

That is one of our positions. The other two positions are that within the national dialogue and the commissions—particularly commission one—the creation of a tripartite agrarian commission was discussed. That agrarian commission would be made up of the national dialogue participants. The government consciously omitted this point.

Another point discussed was the creation of a technical-legal commission. This was also unanimously approved within the commission after an agreement was reached.

It was, however, suddenly erased from the concerted agreement. We must also note that one of the agreements reached by commission four was that social security would be given the importance it deserves as a system to ensure that workers receive their monthly quotas, and that this system be separated from the single health system.

Former Contras Block Highway, Make Demands

PA0411141290 Managua BARRICADA in Spanish 3 Nov 11 pp 1, 5

[Report by Tatiana Rothschuh Andino]

[Text] Central Zelaya—Amidst an atmosphere of tension, former contras on 2 November paralyzed traffic for the third consecutive day on the stretch of highway between El Cacao and Rama, threatening to extend what they described as an indefinite strike in the occupied area. On 2 November a high-level government commission was expected at the site to initiate negotiations.

Former contra leader Rigoberto Herrera Zelaya, a.k.a. "Waslala," said that they were are following instructions from Oscar Sovalbarro, a.k.a. "Ruben," and he spoke of the unification of former contras from different war fronts.

According to "Waslala," Joaquin Lovo, the Interior Ministry's delegate in Region 5, sent him a note instructing him to control the situation on the occupied stretch of highway. Joaquin Lovo made him responsible for anything that may happen, since the former contras had forced the police and EPS [Sandinist People's Army] forces to withdraw. On 31 October the former contras denied passage to a group of Army officers and forcefully disarmed them.

On 2 November area residents said that the highway blockade in La Batea has already claimed the life of a seriously ill child who was being taken in a bus to the Juigalpa hospital. Residents, who did not disclose their names for fear of reprisals, said that Bernardo Boulang, the priest in Muelle de los Bueyes, has interceded with the former contras and "Waslala" to allow passage for children and the elderly who may need to transit the highway. Those traveling to and from Bluefields, Rama, Chontales, and Managua must walk long distances, toting their luggage to reach their destinations.

In El Cacao, Rafael Mairena regretted that he had not been able to transfer the approximately 60 heads of cattle from la Esperanza; the cattle were scheduled for slaughter today.

Ever since the former contras occupied the highway, two people have been killed in the La Gorra area. Marcial Pacheco and the catechist Jose Tellez were murdered by common criminals, according to their relatives, while "Waslala" is blaming the Sandinists for the murders. Mrs. Carlota Pacheco, sister of one of the victims, demanded the police's presence to punish the perpetrators, "but no one has come to investigate because of the strike."

Marcial was beaten and hanged after his murderers robbed Bertha Reyes' house. The catechist was shot for two "small pieces of cheese."

When asked if he could control the situation and prevent these and other criminal actions that could emerge throughout the area under his control, "Waslala" said: "You know that during a strike all sorts of things happen."

Concerning the recent murder of Sandinist policeman Jose Magdaleno Gonzalez in Presillas, "Waslala" denied that former contras were involved, although it has been proven that the perpetrator was a former contra known as "Hormiga."

Pro-Sandinist residents have reported threats and provocations by former contras and members of UNO [National Opposition Union], such as Martin Ortega, Gertrudis Mendoza, Ricardo Treminio, and Muelle de los Bueyes Mayor Valerio Robleto, among others, whom they have accused of being instigators.

During a march in La Batea on 31 October, the former contras damaged the home of Sandinist militant Yadira Solis, to whom "Waslala" has apologized.

The former contras have insisted that Cardinal Obando y Bravo mediate with the high level government delegation. They have threatened to extend their highway blockade if their demands are not met.

"Even if we reach agreements, we will not suspend the strike until we see that words become reality because we do not believe in the government's promises," "Waslala" said.

On their list of petitions, the former contras are demanding the withdrawal of the Sandinist Police and the EPS from this development area which, for the former contra, extends from Rama to Empalme de Lovago, approximately 20 km from Juigalpa.

They are also requesting that the CIAV [International Commission of Support and Verification] fulfill the promised economic aid for six months, that they be given lands in the development areas, and that they be given utensils, tools, and homes. They are also demanding total disarmament in the region, respect for the physical integrity of the strikers, and the presence of Interior Ministry and rural police representatives to ensure order in the territory.

"Waslala" explained that the government granted the former contras the Alemania, Chinami, and El Chacolar farms, but that this posed a problem because the farms were occupied by cooperatives. He said that he has organized 344 former contras and that approximately 1,000 of them are on the highway but have not received any answers whatsoever.

Circulating in La Batea was a statement addressed to the president which, among other things, demanded the dismissal of Interior Ministry Delegate Joaquin Lovo and Commander Fernando Caldera.

Three Dead, Six Wounded in Struggle for Land

PA0211171090 Managua BARRICADA in Spanish 1 Nov 90 p 4

[Text] Three persons dead and six wounded is the result of a violent action that occurred on 31 October at the Casa de Piedra cooperative, located 15 km north of Rio Coco, when a group of demobilized contras attempted to dislodge the members of the cooperative from their land.

The information was confirmed during a new conference by Frank Cesar, Government Ministry public relations officer. Cesar said that the incident occurred at 0400 yesterday when approximately 60 demobilized contras, led by two brothers whose last name is Rodriguez, entered the cooperative to dislodge the 10 families from their land.

Describing what happened, Cesar said that in light of the pressure exerted by the demobilized contras, the members of the cooperative fled from the area. A few hours later, however, when they returned and attempted to recover their land the fighting began and a member of the cooperative was killed and five others were wounded.

In their second attempt to recover the land that belonged to them, the members of the Casa de Piedra cooperative again clashed with the former contras. During the second attempt, two former contras were killed and one wounded.

The dead member of the cooperative is Favio Lopez Vanegas. The wounded members of the cooperative are: Omar Martinez, Manuel Cruz, Paul Martinez, German Centeno Ruiz, and Julio Ramon Centeno.

The dead former contras are Justo Salgado Aguirre and Erwin Vergara. Leonel Orozco is the wounded former contra.

Cesar announced that Government Minister Carlos Hurtado will visit Regions 1 and 6 today.

Panama

Linares Views Invasion, Compensation, TALM

PA0211160890 Panama City EL PANAMA AMERICA in Spanish 22 Oct p 20A

[Speech by Foreign Minister Julio Linares at a meeting of the Panamanian Association of Business Executives held at the Continental Hotel in Panama City on 9 October]

[Text] Ladies and Gentlemen: Shortly before 20 December, when the whole country was discussing possible U.S. military action in Panama, quite a few Panamanians regarded it as nothing more than the toppling of Manuel Antonio Noriega. They expected that U.S. troops would complete this mission within two or three weeks before withdrawing, and that a wealth of economic welfare would pull us out of economic and fiscal paralysis. In plain language, they saw everything coming up roses, which is understandable, considering that the people of Panama are peaceful, and that the only experience with war we have to speak of was at the turn of the century, when the 1,000-day war broke out in Bolivar and Santander Departments. That event turned our territory into a battlefield for the conservative and liberal armies, thus undermining the tenuous ties that bound us to Colombia.

The reality, however, was something else. Compounding the aforementioned military action, the direct damage of which we never imagined, we experienced widespread looting and plundering. Conep [National Council of Private Enterprise] has assessed the damage incurred by its affiliated groups at over $432.1 million. Although the U.S. troops who were brought to Panama to participate in the military action left on 13 February, we still have 50 military policemen in Panama City and five in Colon City. These are the troops stationed in defense areas and sites as stipulated by the Panama Canal Treaty, who provide support to the newly created Panamanian police through joint patrols. That situation is harshly criticized by important sectors of the population which do not look kindly upon the police patrols, as they feel it harms our sovereignty. As if this were not enough, the announced and boasted U.S. aid, which was reduced to $420 million, has not only been slow in arriving, but has also been made contingent upon demands which, even if they could be met, technically turn that aid into a mere expectation and undermine the generous spirit that, according to U.S. sources, prompted President George Bush to request it before the U.S. Congress. It is clear that the absence of that immediate and effective aid has kept the Panamanian Government from addressing urgent social needs, since one cannot deny that the country was in ruins when President Guillermo Endara took office, something that has given rise to a frustration and unhappiness that could have very well been avoided.

All of this has produced a change in the mentality among much of the population. Because Manuel Antonio Noriega and the former Panama Defense Forces [FDP] were toppled, we have gone from a state of collective euphoria to a more critical, albeit not always impartial and calm, state of mind. For example, let us keep in mind that, just yesterday, 88 percent of Panamanian adults surveyed in a nationwide public opinion poll conducted from 5 to 13 September by the Multispecialty Development Counselors Company, an affiliate of the Gallup International Research Institute, felt that the U.S. soldiers who participated in the "Just Cause" operation should remain in Panama as long as necessary

to restablish order and security. Today it is uncomfortable and upsetting, however, to have 50 U.S. soldiers in Panama City and five in Colon City conducting joint patrol operations with the Panamanian police.

In addition, as is normal in every historical process, in every phase we go through we attribute greater importance to the most relevant facts. We must keep this in mind to avoid making the mistake of seeing, as many superficial analysts do, presumed contradictions in the behavior of the masses. For example, it is well known that without foreign military action, it would have been difficult, if not almost impossible, to end the dictatorship of Manuel Antonio Noriega and the FDP. That is why it is not surprising that the majority of Panamanians did not regard the U.S. Armed Forces that conducted the "Just Cause" operation as occupation forces but as liberators, to the extent that a high percentage of citizens surveyed by the aforementioned company termed it thus, and that a high percentage of Panamanians felt that operation was necessary for the country.

Today, however, with Noriega ousted and the FDP destroyed, and as we enter the phase of rebuilding the nation, the Panamanian Bishops Conference [CEP] stated the following: "On other occasions, we have raised our voice and do so again to defend Panama's right to compensation for the damage caused by the invasion and to say that the United States has the moral duty to provide the assistance needed for the country's reconstruction." It added: "We also stress the right to compensation for the relatives of those who died in the wake of the invasion, as well as for those who have suffered physical harm and material loss. Those demands, which are of a humanitarian rather than a political nature, deserve our decided support."

The National Reconciliation Commission, chaired by Panama Metropolitan Archbishop Monsignor Marcos Gregorio McGrath, shared the CEP's view when it asked the national government "to strive to obtain adequate economic compensation to repay the damage caused by the invasion and the economic sanctions the United States imposed in 1987, as well as to support the demand by corporations and persons that have sued the United States."

A change of mentality, however, has not only occurred in Panama. It has also occurred in important U.S. Government sectors. In fact, without delving into other motives that the United States might have had to carry out its military action in Panama, according to President Bush's statement at 0720 on 20 December, the action was taken to protect the lives of U.S. citizens, defend democracy in our country, fight drug trafficking, protect the integrity of the Panama Canal Treaties, and bring Manuel Antonio Noriega to trial in the United States—given the fact that two courts in Florida had indicted him for crimes linked with drug trafficking and money laundering. In these terms, the defense of democracy in our country represents only one of the five purposes that Bush used to justify his military action. Nevertheless, U.S. officials with whom I have had the opportunity to talk consider the defense of democracy in our country as the only purpose which prompted their government to carry out a military action in Panama.

If we consider that the foreign policy of a country must be consistent with its needs and its strength, we are in a very difficult situation, because our needs are many and our strength is almost nil.

This reality forces all Panamanians to act and prove their political maturity, if we want to overcome the extremely difficult situation we are facing. This is why Doctor Miguel J. Moreno, former foreign minister and current president of the National Foreign Relations Council, feels that the role of foreign minister is currently the most difficult that any Panamanian foreign minister has ever had to carry out, and the problems which the Foreign Ministry has to face are only comparable to those which followed our independence. Nevertheless, I accepted the challenge fully aware of the responsibilities I assumed and full of confidence in the political maturity of the Panamanian people.

We are in a truly difficult situation because 143,526 Panamanians are out of work—seven percent of the working population. The economy must be reactivated so that the private sector can create jobs. The foreign public debt as of 31 December 1989 was $4.0575 billion, which we must pay sooner or later. Government suppliers are impatiently waiting for the payment of their bills. We must get rid of many state-owned enterprises that are only reporting losses. The state lacks the necessary resources to meet many urgent demands. The list goes on.

Now then, what is the scenario in which we are currently operating?

1. A country that is economically and fiscally destroyed after 21 years of dictatorship, two years of economic sanctions, a military action, and that lacks the capability to solve urgent social needs;

2. A country whose democratic and republican institutions are barely in their initial stage. Furthermore, we have to learn to live in a de jure state if we do not want to be devoured by each other;

3. A divided country with deep wounds that are difficult to heal, despite the efforts we are making to achieve a reconciliation;

4. A country whose National Police, meaning its current Public Force, is still immersed in a reorganization process, and whose professional capability is overwhelmed by the wave of crime that was unleashed during the transition from dictatorship to democracy;

5. A country that was internationally isolated by many of its traditional friends—as if the current government were responsible for the U.S. military action—to the extent that not a single South American state had restored relations with Panama as of 1 March 1990;

6. A country that has been indefinitely suspended, which is equivalent to banishment, from the Group of Rio because President Endara's government is insistently blamed for the U.S. military action;

7. That of a country with refugees at the Cuban, Ecuadoran, Mexican, and Peruvian Embassies who unfortunately constitute an element of discord, which at any given time could create a crisis. Nevertheless, I must explain with great satisfaction that despite this element of discord our relations with Ecuador and Peru have remained at a high level;

8. That of a country whose image, powerful interests—even in certain states—are interested in damaging, even if to do so they must resort to lies. For Panama's detractors it is essential to portray the current government as an illegitimate one imposed by the United States, when it is widely known that none of the presidents currently in office have received the popular support that President Endara received at the polls on 7 May 1989;

9. That of a country that must make an effort to avoid falling—to the extent that circumstances allow—into conflicting relationships with third countries, because international controversies could reduce national as well as foreign investments at a time when such investments are essential. Controversies could also prevent or at least hinder the formation of the support group or international donor group—an attempt is being made to form it—for the purpose of helping Panama with a donation of $130 million to normalize its relations with international financial institutions.

Within the scenario that I have allowed myself to sketch, let us now turn to a few of the issues to which I devoted special attention.

Central America has not only attempted economic integration; it has gone a lot further. On various occasions it has attempted, more or less successfully, to become a single political entity. These attempts go back to the era in which Costa Rica, Nicaragua, Honduras, El Salvador, and Guatemala broke off their colonial ties with Spain (15 September 1821). Between 1823 and 1838 the five countries in question federalized themselves as the "United Provinces of Central America." Some time afterward, in 1895, Nicaragua, Honduras, and El Salvador made a new attempt at unification when they formed a confederation called the "Greater Republic of Central America," which existed until 1898.

In 1907, in response to the constant armed struggles that bloodied the region, the United States and Mexico took the initiative of calling a Central American conference in Washington. The programs for unity sketched in the U.S. capital made new meetings possible until, in 1921, a Central American Federalization Pact was signed, excluding only Nicaragua. Nevertheless, this new attempt at unification also failed when Costa Rica failed to ratify the pact and the other signees returned to their respective sovereignties the following year.

Finally, not wishing to dwell on background information, on 14 October 1951 the five Central American countries so often mentioned approved the San Salvador Charter, through which they formed the Organization of Central American States (Odeca), a legal regional community. This charter, as stated in its first temporary resolution, was open to the geographically Central American Republic of Panama, so that it could join the region at any time and become a part of the Odeca. In the new San Salvador Charter of 12 December 1962, which replaced the previous charter, the offer of adherence was reiterated.

On 2 July 1973 the Central American foreign ministers suspended the programs and activities of the Organization of Central American States; and, from then on, the general secretariat's most important functions have been the receipt, custody, and transaction of treaties, as well as the deposit of ratification instruments.

The Republic of Panama has not participated in Central America's integration efforts, much less in unification efforts. This is so because, even though the Isthmus of Panama is geographically located in Central America, historically speaking it has been linked more closely with South America—first, through the Nueva Granada viceroyship and, second, through the Republic of Colombia—than with Central America, even though Panama was part of the Guatemala Royal Tribunal (1543-1563) and Guatemala was part of the Panama Royal Tribunal (1563-1568).

The members of the international community which quickly restored its diplomatic relations with the government established in Panama following the 20 December 1989 event include, precisely, the five Central American states. This, plus the greater benefits that our country, economically integrated with Central America, might receive by participating in the EEC aid programs for the region, prompted some groups to propose that integration. Nevertheless, we must be cautious because our economic model on important issues differs from that of our Central American brothers. Panama, however, has already joined Central American programs in the health, micro and small enterprises, technical cooperation, agriculture, and agricultural industry sectors.

During the meeting that the presidents of Costa Rica, Nicaragua, Honduras, El Salvador, and Guatemala held in Montelimar, Nicaragua, on 2 and 3 April 1990, Panama was formally invited to participate in the Central American integration process. Consequently, President Endara, the vice minister of planning and economic policy, and I participated as observers in the meeting that our Central American counterparts held on 15-17 June at Antigua Guatemala, Guatemala, to consolidate democratic institutions and sponsor development so that we may be able to counter the economic and fiscal situation prevailing in Central America. Since the national government is aware that Panama's participation in Central American economic integration, with the

consensus of all the sectors involved, demands an analysis of its implications, on 30 July it issued Decree No. 93 calling for the creation of a commission—including the minister of planning, as its chairman; the minister of foreign relations, as vice chairman; and the ministers of commerce and industries, and agrarian and livestick development—to coordinate the appropriate studies. The vice minister of planning and economic policy acts as commission secretary. The same decree called for the creation of an executive technical group comprised of representatives from the Ministries of Foreign Relations, Planning and Economic Policy, and Commerce and Industries. The executive technical group might also include the participation of representatives from the Chamber of Commerce, the Trade Union of Panamanian Industrialists, Conep [National Council of Private Enterprise], and other national associations.

In March the U.S. Government proposed to our government the signing of one accord and three agreements, and the exchange of notes. I will now refer to them:

A) Accord for the investigation of crimes, also called the Mutual Legal Assistance Treaty [TALM].

The United States considers vital the signing of this kind of agreement. It has already signed similar treaties with the Bahamas, Belgium, Canada, Grand Cayman, Italy, Mexico, the Netherlands, and Turkey.

If the proposed agreement limited itself to drug trafficking and the resulting money laundering, it could have been signed a long time ago. There are different views, however, concerning the scope of its implementation. The United States wants the agreement also applied to crimes that are considered crimes only in the requesting country, although it agreed, upon Panama's request, to exclude fiscal crimes—unless they are related to drug trafficking and money laundering. We insist that the crimes should be considered as such in both states, or else our banking center would be affected by the measure. We hope to reach an understanding as soon as possible. It must be quite clear that the national government's decision will basically depend on talks with the banking sector. We will contact that sector so that it may honestly and sincerely express its opinion. For the moment, the Presidency of the Republic will hold a meeting with a group of bankers.

B) Agreement on the exchange of tax-related information.

The agreement, whose aim is for "the signatory states to give each other mutual assistance to ensure the precise implementation and collection of taxes, to prevent fraud and tax evasion, and to establish better sources of information on tax issues," was withdrawn by the U.S. Government following an explanation of the damage that this would undoubtedly cause in our country. The United States sought to render more effective the collection of federal income tax, the self-employed people's taxes, transfers aimed at evading taxes, inheritance taxes, and consumer tax. This would hardly benefit Panama because only those living on Panamanian territory pay income tax.

C) Agreement to provide for the supervision of transactions involving essential chemical products.

The agreement's goal is for the United States to establish, according to its national laws, a system which allows the supervision of all transactions involving essential chemical products. Our observations were accepted by the United States, so I signed the agreement, which was approved by the Legislative Assembly.

D) Agreement on the aggregate route, whose goal is cooperation in the international struggle against illegal substances through the implementation of joint maritime operations.

According to the proposed agreement, the U.S. Coast Guard could:

1) Be authorized, by a liaison officer appointed by the "Police" in Panama, to carry out patrols for the interception of drugs in Panamanian waters and to chase boats suspected of carrying illegal drugs while in Panamanian waters, or which flee into or out of Panamanian waters;

2) Be authorized, by the aforementioned liaison officer, to enforce Panamanian or U.S. laws in Panamanian waters, or in the open sea, exercising the right of pursuit.

According to the proposed agreement, the presence of drug interdiction patrols in Panamanian waters and the pursuit of boats suspected to be transporting illicit drugs in Panamanian waters, or fleeing into or out of Panamanian waters, are authorized by the Panamanian liaison officer. When the pursued boat is captured in Panamanian territorial waters or on the high seas, by virtue of its right to pursuit, Panama must pay indemnity for the damages and costs incurred, in accordance with public international law. This is one of the reasons why the national government refused to sign the proposed agreement. A new version is currently being worked out.

In accordance with the proposed agreement, U.S. Coast Guard and Armed Forces officers who are in Panama on account of the agreement will enjoy the same privileges and immunities that the Vienna Convention on Diplomatic Relations confers on members of a diplomatic mission's technical and administrative personnel.

E) The exchange of notes concerning the illicit trafficking of drugs by sea.

In accordance with the proposed exchange of notes, the United States of America could:

1) Request permission to adopt timely measures concerning Panamanian-flagged ships suspected of illegal drug trafficking;

2) Request authorization to board and search these ships and, should proof be found that they are participating in drug trafficking, adopt timely coercive measures against the ship, its passengers, and cargo.

The exchange of notes as agreed upon is not offensive to Panama, inasmuch as in the agreement Panama limits itself to expressing the following:

"The Panamanian Government has named the general consular and ships director or the person he designates as the Panamanian Government's representative to confirm whether a ship is registered in Panama, and to authorize or request measures of cooperation from the pertinent U.S. authorities concerning ships registered in the Republic of Panama."

As everyone knows, the U.S. Congress approved $420 million in aid for Panama. To make this aid effective, Panama has so far signed two pacts with the United States.

Panama could with reason raise objections to some of the conditions contained in the Donation Pact signed on 3 July 1990 or, in other words, in the first of the agreements in question. This applies especially to those conditions imposed for payment of the second and third installments of the budget support subprogram, as conditions should never be set for donations between states.

Panama could also raise objections to some of the conditions because they eliminate the donative nature of the installments and turn them into mere expectations because, until the demands are met, the possibility that Panama will not fulfill them will always exist. These demands do not add, modify, subrogate, or abolish any existing law, however, and they can, furthermore, be fulfilled by the executive branch within the scope of its domain, a reason for which the pact that contains them is a simplified agreement.

What I am saying is equally applicable to the demand or condition imposed in subsection C of Section 2.4 regarding the disbursement of the second installment of the budget support subprogram, inasmuch as having "arrived at an agreement with the U.S. Government for the exchange of international registration transactions concerning investigations and procedures on narcotics" does not imply that between Panama and the United States there should necessarily exist—for payment to be made—an international agreement or a treaty previously approved by the Legislative Assembly and ratified by the executive branch.

In the event that the United States of America were to attempt to impose this interpretation, the only unfavorable effect for Panama would be that U.S. AID [Agency for International Development] would be able to terminate the Donation Pact in question, which would prevent Panama from receiving the second and third installments of the budget support subprogram, and Panama would be forced to repay the donations and the corresponding interest held in the separate account, unless AID had made some other agreement in writing.

It is understandable that some sectors may be concerned by the demand that the short-term economic stabilization program should meet the requirements of an IMF support program (subsection A of Section 2.2), and that the medium-term economic reactivation program should be backed by the International Bank for Reconstruction and Development [IBRD] and the Inter-American Development Bank (subsection A of Section 2.4). This is because international financing organizations do not, unfortunately, take into consideration the immediate needs of the people, thus creating social upheavals. It is also understandable that some are concerned about the demand that we evidence acceptable signs of progress in implementing political reforms in the areas of public sector finances, privatization, and labor, commercial, and mercantile policies, related to plans and programs identified in other previous conditions (subsections B and C of Sections 2.4 and 2.5, respectively). It is to be expected that some will cast doubts on the virtues of said political reforms.

The worst thing is not that we are expected to have political programs and reforms, as the national interest requires that these be done with or without the Grant Agreement. The worst thing is that some people are going on the negative assumption that such political programs and reforms are bad for the nation. But even if that were true, the possibility of receiving a grant should not force the executive branch to yield to the demands of international financial institutions, and must not force the legislative branch to approve laws that do not correspond with the higher interests of the country.

As far as the executive branch is concerned, President Endara clearly and strongly warned in his 1 September speech to the Legislative Assembly that, in response to "the IBRD, the IMF, and any organization or entity that wants to place conditions on financial aid to Panama," the "Panamanian Government...will introduce measures to adjust the economy because the government and sectors that have been consulted so deem it necessary to provide jobs for the people, and not because an outsider is imposing them or demanding them from us."

He then added: "Therefore, the specific measures to be taken will be the ones Panamanians decide upon and consider more appropriate to overcome our stagnation. Not one more, not one less. We do so because we need it; but also we will do only what we think is appropriate, based on our own characteristics and particular circumstances. We will do it at the speed with which circumstances unique to Panama allow, so as not to cause undue or unnecessary harm to the wealth of the country." I am certain that the legislative branch will also speak as clearly and firmly when the time to do so comes. Thank you.

Denies Treaty Will End Secrecy Law

PA0311011490 Panama City ACAN in Spanish 1930 GMT 2 Nov 90

[Text] Panama City, 2 Nov (ACAN-EFE)—Panamanian Foreign Minister Julio Linares stated today that the Legal Mutual Assistance Treaty [TALM] that has been discussed with the United States for several months "will not put an end to the banking secrecy law."

He stressed that the controversial treaty "simply would not be signed" if it is damaging to the Panamanian Financial Center that includes more than a hundred banks from all over the world.

Linares told the press that the TALM—which is a precondition for the delivery of part of the aid promised to Panama by the United States—is not limited to the topics of drug trafficking and money "laundering." If it was, "it would have been signed a long time ago."

The foreign minister added that "Panama is willing to offer broad cooperation on anything related to the suppression of drug trafficking and money laundering."

"The treaty deals with other kinds of crimes and this has resulted in discussion and debate," said the foreign minister, referring to the arguments between officials and bankers who oppose the U.S. proposal for the agreement. They believe that it would affect banking secrecy, which is considered the pillar of the financial center.

The agreement's terms were analyzed in Panama this week by commissions from the two countries headed by Panamanian Deputy Foreign Minister Raul Mulino and by Michael Kozak, U.S. principal deputy secretary of state for Inter-American Affairs.

Panama presented a counterproposal which, according to banking sources, limits the exchange of information between the two countries to those crimes sanctioned equally by both Panamanian and U.S. law.

The bankers have complained because the U.S. proposal allows that country to request information concerning affairs that are punishable in the United States, but not in Panama.

Mulino, like Linares, said today that it is not a treaty "intended to break Panamanian banking secrecy," and that it not only involves drug trafficking, but also crimes such as "robbery, embezzlement, counterfeiting, and terrorism."

"There are other crimes which, due to the nature of the Panamanian financial system, must be looked at with a magnifying glass so that banking confidentiality will not be violated," Mulino added.

As of this moment, no date for the next round of discussions on TALM has been announced. TALM's ratification by Panama is a precondition for the delivery of 20 percent of the $420 million in aid approved by the U.S. Congress this year.

Talks on TALM Treaty With U.S. Enter Recess

PA0211160990 Panama City Circuito RPC Television in Spanish 2300 GMT 1 Nov 90

[Report on interview with U.S. Ambassador Deane Hinton and Deputy Foreign Minister Jose Raul Mulino by unidentified reporter; place and date not given]

[Text] Panamanian and U.S. offficials who are negotiating the Mutual Legal Assistance Treaty [TALM] have decided to call a recess to conduct high-level consultations. After meeting for two days, Deputy Foreign Minister Jose Raul Mulino said the Panamanian and U.S. negotiating teams, headed by himself and Michael Kozak, decided to call a recess. Nevertheless, the two sides are optimistic they will reach an agreement very soon.

[Begin recording] [Reporter] Ambassador, has there been progress in the negotiations?

[Hinton] We are always making progress. Thank you.

[Reporter] What do you expect on the issue of the exchange of information?

[Hinton] We continue to make progress.

[Mulino] We concluded the first round of these negotiations after two days of in-depth, frank, and respectful talks on issues that are of vital importance to both the United States and Panama. Both teams have presented counterproposals which now require the proper consultations so as to continue work on the treaty. These are definitely key and essential counterproposals Because of this, they now require broad and thorough consultations with decisionmaking sectors in the United States and Panama.

[Reporter] Does this mean there is an impasse?

[Mulino] No, I would not describe it as such. I would say that we have called a recess within a negotiating process. This is normal in any negotiation. We will continue to negotiate later.

[Reporter] Did you discuss the issue of tax evasion by U.S. companies?

[Mulino] Look, at this time I do no want to discuss specific points in the counterproposals which will be considered during the consultations, precisely because these are matters related to the negotiations. I have said, and I repeat, that these are key issues for both sides, and they need to be the object of proper analysis so as to know whether or not we will sign an information treaty with the United States very soon.

[Reporter] [Question indistinct]?

[Mulino] We hope it will not take too long. We have time limitations, but we have to begin consultations next week. We are going to make every effort to see that the consultations are undertaken as quickly as possible so as to obtain opinions that will permit us to make a decision in defense of the country's interests.

[Reporter] What are the most critical points being proposed by the United States, which might affect banking secrecy in Panama?

[Mulino] Moments ago I just said that these are points under negotiation. I do not think it would be prudent for me to publicly discuss these points at this time because of the confidentiality that must exist in this phase of the negotiations. These points will be discussed with all the sectors which have contributed their opinions, so that we can continue the negotiations. [end recording]

Regarding the connection between this treaty and a U.S. grant, the deputy foreign minister said the grant does not set a date for the signing of a treaty on the exchange of information with the United States.

[Begin recording] [Reporter] What would happen if no agreement were reached?

[Mulino] I would rather not speculate on that because it would mean entering into discussions which would not contribute to the negotiations. [end recording]

U.S. Methods To Impose Banking Treaty Condemned

PA0411154790 Panama City EL DIARIO INDEPENDIENTE in Spanish 2 Nov 90 p7

[From the "Political News" Column by Luis Vejarano: "There is No Banking Secrecy"]

[Text] The Yankees are still urging Panama to sign the Legal Mutual Assistance Treaty, with which they want to change the laws of our banks, stock companies, and other national taxable companies. It has been reported that Panama has presented a counterproposal containing basic changes to the U.S. proposal.

Reacting to this counterpropsal, however, the U.S. giant—through its international press agencies—has launched a campaign to discredit the public image of Panamanian Government authorities. According to the U.S. plot, a substantial part of the $420 million in economic aid to Panama is being withheld until the Panamanian Government gives in to the tiresome U.S. demands.

Edgardo Lasso Valdes, president of the Panama Banking Association, has said that he disagrees with the proposed changes, which allegedly seek to prevent the laundering of drug money. He has stressed that in Panama there is no banking secrecy per se, but rather a banking confidentiality, common in all parts of the world.

Lasso Valdes said that in Panama there are many people who, for very lawful reasons, do not want their bank deposits to be known. There is nothing wrong with this, nor does it constitute a crime. He said that there are more than 90 foreign banks in Panama, in addition to the local banks. None of these banks would oppose the implementation of controls to oversee banking transactions. They do not agree, however, with any changes in the banking laws.

We believe that the destabilization campaign by the Yankee media will have to cease blackmailing our government because although Panama is militarily occupied by the Yankee soldiers, our people will never accept being a colony.

APEDE's Jaramillo Opposes U.S. Treaty

PA0411142290 Panama City Radio KW Continente in Spanish 1200 GMT 2 Nov 90

[Report by Roberto Cubilla]

[Text] Mario Jaramillo, president of the Panamanian Association of Business Executives [APEDE] has said that if the Panamanian Goverment approves the bilateral Mutual Legal Assistance Treaty [TALM] between Panama and the United States that is currently being negotiated by Deputy Foreign Minister Jose Raul Mulino and U.S. envoy Michael Kozak, principal deputy secretary of state for Inter-American Affairs, it will prove that the U.S. invasion and all that has happened in the country is part of a U.S. plan to destabilize and destroy Panama's banking center.

[Begin Jaramillo recording] In general terms, Panama earns $250 to $300 million every year from the banking center. There are currently negotiations going on regarding TALM, and that is why Mr. Kozak is here. The United States insists on including fiscal crimes in the treaty, but Panamanians do not agree with that. We still have not received $84 million in aid from the United States.

If the United States insists on the treaty, it would give credence to the view many people have that the invasion and events before it represent a plan to destroy the banking center. I think Panamanian negotiators must get tough and say that the only way they would sign it is if the United States agrees to give us every year the $250 million the banking center produces. [end recording]

APEDE President [Jaramillo] noted that there have been no specific attempts to transfer the Panamanian banking center to U.S. cities; he wonders if that was the goal of the invasion.

[Begin Jaramillo recording] There have not been any specific attempts. If the United States insists, however, that we sign TALM, which includes fiscal crimes and related crimes, that would destroy the banking center. If the United States insists on that, I would have to agree that the plan is to move the banking center elsewhere. [end recording]

Arias Views Evidence for Subversive Groups

PA0311194990 Panama City Circuito RPC Television in Spanish 2300 GMT 2 Nov 90

[Text] Although there is no tangible evidence that subversive groups exist in our country, search operations have continued in Chiriqui, Ricardo Arias Calderon, vice president and government and justice minister, has said.

[Begin recording] [Arias Calderon] The National Air Service has carried out flights. They have been normal surveillance flights and, as a courtesy to our sister nation, Costa Rica, its government was notified that these normal surveillance flights would be carried out near the border. So far, as expected, we have found nothing out of the ordinary.

[Reporter] Is there any tangible evidence that there are guerrillas in the country?

[Arias Calderon] To this date, there are no indications for the existence of armed groups.

[Reporter] Certain economic sectors have criticized the lack of security. What can you tell us about it?

[Arias Calderon] If one reads today's newspapers, one sees that several criminals were captured and several criminal acts were foiled. I think that, step by step, the government's public security policy has begun to have results; I expect it to continue in that direction. [end recording]

Monsignor McGrath, Journalist Analyze Nation

PA0411191690 Panama City Radio KW Continente in Spanish 1200 GMT 1 Nov 90

[Report on statement by Archbishop Monsignor Marcos McGrath on 31 October; place not given—from "The Word" program hosted by Mayin Correa]

[Excerpts] Panamanian Archbishop Monsignor Marcos McGrath has described the government's leaders as rookies. He said that they do not have adequate plans or programs. McGrath made this statement to Telemetro Television and to other media yesterday. This is what he said:

[Begin McGrath recording] The government is being criticized—and not without some basis—for not offering the plans and programs that the country needs. It has been said that we are relearning what democracy is. The politicians in the government are beginners in politics. It is expected that with time, this situation will improve. I believe that the main problem we have is that as far as democracy goes, we are immature. We are taking advantage of our liberty but have forgotten our rights and obligations: rights imply obligations. For example: If I have the right to state my opinion about somebody, I also have the obligation to do it in a respectful manner. We are forgetting this.

When we state our opinion about someone, we do it by condemning and accusing that person. If all accusations were to be taken to court, there would be more difficulties in the administration of justice than there are now. Accusations give rise to counteraccusations, and this goes on and on. It is like being in a small room with everybody shouting and no one hearing anything because of the noise. We have to speak in a more moderate fashion, with more respect for others and for the truth. We should let controversies be resolved in the courts, not through caustic radio or television statements. There is a tendency to criticize, to harm, and to silence others with caustic remarks. This does not improve the situation. Democracy means respect for everybody's rights and liberties. As we realize this, we will have more justice because we can search for it more calmly and objectively and in the framework of more peace. Then we could dedicate ourselves to more important issues. Politics is not that important; it is a tool to secure the common well-being. We have to make it serve the needs of the people, especially the most needy people, as I said earlier. [end recording] [passage omitted]

Monsignor McGrath said that criticism is not the most suitable thing to do right now, especially exaggerated criticism. He said himself, however, that the government is being accused—not without foundation—of not having adequate plans and programs. I have heard some comments that the media is being accused of making much noise because it is presenting a pessimistic view of Panama and of Panama's future. But as I have said before, newspapers portray what is happening in a country. If a newspaper does not lie, does not slander, and is not disrespectful or irresponsible, that newspaper will portray what is happening in the country. [passage omitted]

The media does not create problems. Sometimes the media makes them more acute by giving them prominence or devoting much time to them, but the media does not produce problems. The problems come to the media. When the problems are made public, they gain prominence. We live in a democracy where everything becomes known. This is what is happening. There is bad management. The more honest officials charge that there is corruption. Maybe they do so because there is corruption. If there is no corruption, then let those officials be fired for lying. I think that neither political observers nor officials should say that the media is responsible for the instability in the country. The media portrays the country's instability. The media prints or airs this instability, but we are not to blame for the instability. If we were seriously working on big development plans, without being corrupt and without getting rich—like some smaller groups do—then we would admit that in the media too.

We would also be reporting the other good things that were being done. There is, however, much corruption. I am not saying that all of them are corrupt; there is only

a small group. A very small group, among them presidential advisers, are constantly spreading gossip. They are trying to see how they can fill their pockets. I have identified them by name, and no one has accused me of slander. I am going to mention more names.

Why are we to blame? There is a saying that explains this situation perfectly. Msgsr. McGrath criticizes and yet asks us not to criticize. He says that the government is rightly criticized because of its lack of plans. This government does not have a spokesman. There is no spokesman to tell the national or international community what the country's opinion or position is.

I am still not fully convinced about the so-called plot. Did you hear what Vice President Billy Ford said? He said something completely different. Did you hear what Arias Calderon said? He said something different. Did you hear what President Endara said? He said something else. There is no single opinion. No one here says: the Panamanian Government states such and such, and that is what everyone in the government says. There is no single opinion or spokesman.

There was a very imporant meeting yesterday in the Presidency. Reporters were there. Each official who came out of the meeting said something different. There was no spokesman. There was no communique saying that the national government met today to discuss several topics, or whatever they want to state.

A radio station in Miami reported that the president had resigned or was about to resign. If there is no government information policy and if what the government is doing in a democracy is not reported officially, then the information deteriorates. Everyone thinks and says something different. [passage omitted]

I know—I have not been told this, but I am going to say it because I know—that Foreign Minister Linares has met with the Peruvian, Spanish, Chilean, Argentine, Venezuelan, and Colombian foreign ministers, individually during the last 48 hours. He has presented a very gloomy picture of relations between Panama and the United States. He has even said that it seems that the United States wants Panama to be a colony. He has mentioned a letter from the State Deparment to Panamanian Ambassador Vallarino telling him of U.S. displeasure over the delay on the signing of the treaty being currently discussed. Linares has even said that the United States apparently threatened to speak to the support group countries that were supposed to grant us a certain amount of funds to complete our interest payments on the foreign debt.

Apparently, the United States has even threatened to ask those countries to close whatever trickle we had left. It seems that he has reported this to those countries. These ambassadors are in a fix, because our foreign minister has told them of the difficult relations between Panama and the United States. The governments of those countries obviously do not want to fight with the United States. They are not going to fight for us. They are not going to issue a communique supporting Panama against the U.S. threats or against the things the United States wants us to do. These countries depend as much on the United States as we do. The sad part about our relations with the United States is that, unfortunately, we have nowhere else to go. In the past, we used to say, let us turn to the USSR to see if they can give us some money, or let us go to Cuba. Right now Cubans do not even have enough for themselves. They are having a hard time just trying to get three meals a day. I think that Cuba is not able to even donate weapons now. Cuba has the factories to produce weapons, but it does not have the raw materials. Cuba can not even provide weapons. It has nothing left to donate. Castro cannot even send advisers, because he does not have money for the air fares for the so-called internationalists he used to send all over the world.

Most Latin American countries depend exclusively on the United States, because Japan does not give donations. Japan only gives aid when it is going to get something in exchange. Japan sells $100 million and gives $50 in aid to buy a typewriter. They only do this, however, after selling $100 million in television sets and Toyotas. The Japanese do not have any foreign aid policy. It is the country with the lowest foreign aid programs, although it is one of the richest countries in the world. We have no one to turn to, and that is the problem. We have to adopt firm steps to see what we are going to do now.

The situation posed by the foreign minsiter, however, to the ambassadors, whom he has summoned in the last 48 hours to his office, is very serious. He is telling them: Help us because the United States is threatening us. We are not going to get any support because none of these countries is going to fight the United States for us. They can not fight the United States. Where could they turn to for help? [passage omitted]

PNP Holds National Convention; Leaders Elected

PA0211172490 Panama City EL SIGLO in Spanish 30 Oct 90 p 8

[Text] The first national convention of the Popular Nationalist Party [PNP], after former PNP President Olimpo Saenz publicly joined Molirena [Nationalist Liberal Republican Movement] on 15 September at the Plaza Theatre, was held on 28 October.

In an emergency convention, the members of the new National Executive Committee were elected. They are: President Jorge Flores, First Vice President Efrain Arauz, Second Vice President Alberto Rivera, Secretary General Jose Manuel Adames, Deputy Secretary General Jose Gilbert Mojica, and nonvoting members Fabio Ruiz and Albino Gondola Vasquez.

As the highest PNP authority, the convention disavowed all actions adopted by former PNP president Olimpo Saenz, who was officially declared a traitor. He and other PNP members who had joined Molirena were also expelled from the party.

The convention of the PNP, whose quorum was verified by Carlos Garcia Martin, notary public of Panama City's 4th District, approved other measures aimed at continuing the struggle and maintaining valid PNP principles. The participants reiterated their request to register the PNP, and they said that the PNP maintains its autonomy and political independence.

The convention supported the steps adopted by Jorge Flores, as secretary general of the PNP, before the Electoral Tribunal to block the arbitrary legal merging of the PNP with Molirena. Former PNP president Olimpo Saenz tried to merge the PNP with Molirena using administrative procedures. According to the law, only registered PNP members at a national convention could approve this merger.

In the next few days, the new PNP leadership will deliver to the Electoral Tribunal the correponding documents. The Electoral Tribunal will then issue its ruling on the well-known and unusual case of the orange party [PNP color].

CCN Vows To Defend Democracy, States Demands

PA0311185390 Panama City EL PANAMA AMERICA in Spanish 1 Nov 90 p 1A

[Communique issued by the National Civic Crusade (CCN) in Panama on 31 October]

[Text] In view of the current situation in the country, the CCN's Directors Committee deems it advisable and necessary to publicly express its views to continue contributing to the consolidation of the principles which we have struggled for and will defend at any cost: democracy, justice, and freedom.

Ten months after the current democratic phase began, we recognize that there have been significant advancements and achievements in our country's economic and moral reconstruction. Those positive achievements are overshadowed, however, by errors and extemporaneous actions by the government. This of course worries the people who do not perceive firmness and determination in the government in solving many of the situations that are frequently discussed.

We realize that the expected solutions have been delayed due to economic limitations inherited from the previous regime. This has been aggravated by economic sanctions as well by as the military invasion and the following looting and destruction. We are also concerned about the fact that the U.S. aid—so enthusiastically announced and expected but at the same time so little and conditioned—is still subject to more U.S. demands, reducing the possibilities for our economic recovery.

Recent incidents involving displaced and active but unadjusted soldiers who have tried to destabilize the constitutional order should be thoroughly investigated by the authorities in charge of imparting justice to punish those who were responsible in an exemplary way. Those attempts were carried out together with civilians who are looking for an opportunity to seize political privileges which they lost or which they expected from the new government. These civilians would gladly return to a system supported by the bayonets in which the will of the majorities is subjugated. Their actions, however, should not mislead the real patriots who want to live in a country with solid democratic, economic, and social bases to walk the path of peace, unity, and progress.

We will defend the democracy for which we struggled. We reject the thesis that weapons represent its support and personality.

This is the moment for Panama. On behalf of citizens who paid a high price for the fatherland's liberation, we demand an immediate end to partisan interests and we put the people's interest first. People today demand from the government, elected by the great majorities, the necessary leadership to guide the country on the path to real national solutions. We propose:

1. Accelerating legal processes and immediately replacing all judicial employees of the former regime to guarantee expeditious, impartial, and effective justice, and prevent impunity and a sense of national frustration.

2. Outlining a state information policy to improve communication with the people.

3. Defining actions to solve imminent health problems and protect the endangered social security system.

4. Dignifying our relations with the United States of America for the benefit of our nation.

5. Immediately defining the Panamanian labor situation, seeking formulas to create new jobs for the unemployed.

The CCN reiterates its steadfast determination to continue struggling for the strengthening and consolidation of Panama's democratic system to guarantee the effective achievement of its postulates and objectives. We urge all CCN followers and real patriots, therefore, to once again show the same spirit of sacrifice with which we struggled to save the fatherland and be prepared to defend what we accomplished with so much effort and blood.

CCN, Dr. Fernando Boyd Galindo, coordinator

Paid Ad by Former Colonel Diaz Herrera

PA0511133690

[Editorial Report] Panama City LA PRENSA in Spanish on 25 October on page 11B carries a full-page paid advertisement by Former Panama Defense Forces Colonel Roberto Diaz Herrera.

Herrera begins by stating that to accuse him of the murder of Hugo Sapadafora, which took place in September 1985, is "a new legal and moral crime by the alleged democracy. No one risked as much as I, my family, or my followers in facing up to Noriega's military might." Herrera continues by saying how Spadafora's

family supported and abetted him. He says: "That courageous family from the city of Chitre lived and slept in the family home of Diaz Herrera as an expression of support for my daring."

He adds: "Out of resepct for public opinion, and due to the absurd political threats against him, I will publish the text of my statement to the OAS" on the Hugo Spadafora case.

The text of the 5,000-word statement follows.

At the end of the statement, Diaz Hererra addresses a question to the Attorney General and the Foreign Minister. He asks: "Are you really interested in learning the truth about the Spadafora case, or are you merely interested in mounting a political circus to persecute me?

"The intrigues that you use your authority to cover up will be revealed to God and to the people, who are my only valid judges."

Argentina

Helicopter Crashes in Red Sea; No Fatalities

PY0311190490 Buenos Aires DYN in Spanish 1822 GMT 3 Nov 90

[Text] Buenos Aires, 3 Nov (DYN)—The Argentine Navy officially reported today that an Alouette helicopter from the destroyer Almirante Brown crashed into the Red Sea on 1 November, but that there were no fatalities among the crew.

The accident, the first to take place during the Argentine mission to support the trade embargo against Iraq in the Persian Gulf, occurred as a result of a technical problem in the motor of the helicopter, which went down 30 meters from the destroyer.

The pilot started the emergency floatation system, and the impact on the water was light enough that the crew suffered only minor injuries.

The Alouette helicopter, which was built in France, was immediately hauled up to be repaired on the destroyer. Despite the quick rescue, however, the helicopter suffered considerable damage, and there is little chance of it being repaired on the ship, which is leading the group to the Gulf of Oman.

UN Funds for Gulf Operation Still Not Received

PY0311001690 Buenos Aires LA PRENSA in Spanish 2 Nov 90 p 8

[Text] So far the United Nations has not disbursed any multinational funds to finance the Argentine naval operation in the Persian Gulf. Defense Minister Humberto Romero stated some time ago that this operation would not cost the country a cent because the United Nations had the money to finance this operation.

LA PRENSA found out at the Defense Ministry that the funds have not been disbursed and that the Argentine Navy ships, which have already arrived in the blockade area, are using their own funds to finance the operation.

Cavallo Announces UK Talks; Menem to Far East

PY0211213690 Buenos Aires TELAM in Spanish 2051 GMT 2 Nov 90

[Text] Buenos Aires, 2 Nov (TELAM)—Foreign Minister Domingo Cavallo reported this afternoon that President Carlos Menem will visit Japan on 12 and 13 November and the PRC on 14 and 15 November. The announcement was made during a news conference in the Government Palace situation room.

Cavallo noted that "President Menem's visit to the Vatican, Poland, and the Soviet Union was very important."

Cavallo also announced that representatives from Argentina and the UK will meet in Madrid on 12, 13, and 14 November to negotiate "forms of cooperation between the two countries in the fishing sector to prevent the overfishing of some species."

Cavallo said during the news conference that "the climate of understanding between Argentina and the UK is very good for arriving at bilateral agreements."

Interior Minister Says Jujuy Conflict 'Overcome'

PY0211220490 Buenos Aires Domestic Service in Spanish 1500 GMT 2 Nov 90

[Report by Silvina Martinez Porta at Government House]

[Text] Commenting on the situation in Jujuy Province, Interior Minister Julio Mera Figueroa has said:

[Begin Mera Figueroa recording] Things have completely returned to normal. The local branch of the General Confederation of Labor staged a march today in which approximately 1,500 people participated. The march ended outside the provincial Government House without any incidents or unusual action. We can therefore state that the conflict in Jujuy Province has been overcome from both the institutional and political standpoints. [end recording]

Therefore, Mera Figueroa said, we are not considering federal government intervention in Jujuy Province.

New Jujuy Province Governor Sworn In

PY0211174490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1544 GMT 2 Nov 90

[Text] San Salvador de Jujuy, 2 Nov (NA)—Eduardo Alderete has been sworn in as the new provincial governor. He replaces Ricardo de Aparici whose resignation has been accepted by Congress.

Alderete, who was the deputy governor, is a member of the Justicialist Party. He assumed the post of governor before the resignation of De Aparici, who is ill, had been accepted.

Vice Governor Takes Over in Chubut Province

PY0311010090 Buenos Aires BUENOS AIRES HERALD in English 2 Nov 90 p 11

[Excerpt] (NA-DYN)—[Passage omitted] Meanwhile in Chubut, Vice-Governor Fernando Cosentino took formal control of the governorship after Nestor Perl's resignation on Tuesday and will finish Perl's term of office. Public employees will go back to work today after weeks of strikes and disturbances as the government promised to pay 50 percent of the wages owed for September. [passage omitted]

Cavallo Returns Home; Comments on Tour, Crisis

PY0211120890 Buenos Aires DYN in Spanish 1714 GMT 1 Nov 90

[Text] Buenos Aires, 1 Nov (DYN)—Today Foreign Minister Domingo Cavallo denied that "Saudi Arabia has asked" the Argentine Government to send more troops to the Persian Gulf to reinforce the blockade against Iraq. He reasserted: "The only decision that has been made so far is to send the ships."

Cavallo said that during his stopover in Madrid, he reached agreement with the Spanish authorities on "a number of priorities" for implementing projects in the health, energy, informatics, and education sectors with a Spanish fund amounting to $198 million.

He also said that there are 10 initiatives "worth $21 million," and there are projects, "of which a third will be implemented by Argentine enterprises, the other third by Spanish enterprises, and the rest by the Spanish Government."

On returning from a long tour of the Middle East and Europe, Cavallo said that the agreements reached with Spain establish prompt implementation of "part of an accord" that was granted by the Spanish Government at the right moment, and "for which $800 million will be earmarked."

He said the "Spanish Government has not promised to waive visa requirements for Argentine citizens to enter that country."

Cavallo also referred to the Persian Gulf crisis and Argentine participation in the conflictive area.

He said: "It seems to me that a military confrontation is imminent," adding that the only possibility for a solution is strict compliance by Iraq with the UN Security Council's resolutions.

Cavallo said that through the Argentine presence in the Persian Gulf, "we are participating in what will become a collective security system that will make the existence of national armed forces justifiable under the UN Charter."

Cavallo also rejected former President Raul Alfonsin's charge that one could not join the First World as "bootlickers."

Cavallo said: "In the first place, there is no longer a First, Second, or Third World. There is only one world in which we want peace and progress to prevail." He added that Argentina "has already overcome the underdeveloped status it had fallen into as a result of President Alfonsin's political decisions."

He admitted, however, that there were some achievements during Alfonsin's administration, such as "ending the conflict with Chile over the Beagle Channel islands by accepting the pope's award."

Official Urges Accord on Subsidies at Talks

PY0311002890 Buenos Aires BUENOS AIRES HERALD in English 2 Nov 90 p 5

[Text] (DYN-NA)—Argentina may refuse to put its name to the document that concludes the Uruguay Round, if the GATT negotiators fail to agree reductions in farm subsidies, Agriculture Undersecretary Felip Sola threatened yesterday.

There would be "no sense" in continuing to negotiate, the Undersecretary said, in the absence of "substantial progress" on agriculture.

"We want to produce a crisis in these talks," Sola added, in order to force the GATT to accept the position of the CAIRNS group of efficient farm producers.

The group, which includes Argentina, Brazil and Australia among others, is calling for cuts of 75 percent in production subsidies and 90 percent in exports subsidies by 2000.

The CAIRNS position is broadly shared by the US, but considerable differences exist with the European Community. Although the latter has still to present its final position, at the moment it is calling for cuts of only 30 percent in internal supports.

Sola also insisted that Argentina would not accept the EC's proposal to "rebalance" its protectionist policies, whereby instead of lowering cereal subsidies, it would agree to remove import restrictions on oil seeds.

Separately, Sola referred to the new fishing law which, on being approved by Congress, would permit "increased production of underexploited resources... by ships flying Argentine flags." In this context he mentioned in particular squid and hake.

Menem, Borja Stress Importance of Relations

PY0311134290 Buenos Aires TELAM in Spanish 1223 GMT 2 Nov 90

[Text] Buenos Aires, 2 Nov (TELAM)—President Menem said that we Latin Americans "have made a historic decision: We no longer want to be neighbors in the world's underdeveloped level [subsuelo]." He said this during the speech he delivered a San Martin Palace dinner to honor his Ecuadoran counterpart Rodrigo Borja.

Menem said: "Another serious challenge common to Latin Americans is one government's unexpected and untimely threat to the widespread will for peace prevailing in the world."

"This crisis, which still persists in the Persian Gulf, has made us fully aware of the power of the unity among nations that respect the law, as a guarantee for peace. Peace is no longer mere military power but, above all, moral power," Menem said.

During his official visit, which began yesterday and will last approximately four days, Borja will sign agreements aimed at strengthening bilateral relations. On arriving, Borja said: "We will make every possible effort to intensify the commercial exchange among the Southern Cone countries," because "this is the time to do it, taking into account the difficulties and the negotiations with Northern countries because of the protectionist policies."

Borja said: "For a long time Ecuador" has wanted to join the Group of Eight because this would mean "taking part in a very important group that promotes dialogue, the search for solutions, and the wide dialogue on regional and international matters."

Menem also stressed that "the significant change humankind is experiencing is much more transcendental and transforming than the change that occurred during the Renaissance. The Industrial Revolution or Armstrong's landing on the moon represent historic leaps from one era to another, and from the human point of view the current change is a leap from individualism to fellowship."

Continuing, the Argentine chief of state said: "A new idea of the world—an all-encompassing, ecological, and global idea—is taking shape. It considers man, national territories, and nature parts of an indissoluble whole that is impossible to study and understand without focusing attention on all its parts."

Menem said: "Almost the whole world is facing a stage of the universalization of the values, of the humanization of the politics, and of the globalization of the main principles; therefore, with true maturity, man is beginning to understand that his reign over creation implies the need to assume the greatest responsiblity: to protect the planet as the only way to allow the survival of his species."

"Man is beginning to listen and to understand the true significance of the increasing signs of hunger and of the suffering affecting most of the people. He is rejecting war as the tool against politics, and he is becoming aware of the devastated and undermined environment," Menem said.

Menem voiced his conviction that he "shared with the Ecuadoran president the same concept of renewing the world and the firm will to take action leading to growth."

Borja's visit will "strengthen the links between our two countries, which consequently will improve the ties among all Latin American countries," Menem said.

The dinner was attended by ministers, Apostolic Nuncio Ubaldo Calabresis, Ecuadoran Ambassador to Argentina Luis Valencia Rodriguez, Buenos Aires Mayor Carlos Grosso, and ambassadors accredited in Argentina.

Today at 1000, Borja will lay a wreath at the monument to General San Martin. He will then head for the Government House where he will exchange decorations with President Menem in a ceremony scheduled for 1030.

The two presidents will then hold a working meeting at the presidential office. At 1130 they will sign bilateral agreements at the White Hall of the Government House.

At noon Borja will attend a lunch at the headquarters of the Buenos Aires University Superior Council. In the afternoon he will pay protocol visits to Congress and to the Supreme Court.

Later Borja will be greeted by ambassadors at the Alvear Palace Hotel, where he will host a meal to his Argentine counterpart at 2030.

Sign Joint Declaration, Agreements

PY0311141490 Buenos Aires TELAM in Spanish 1624 GMT 2 Nov 90

[Text] Buenos Aires, 2 Nov (TELAM)—Argentine President Carlos Menem and Ecuadoran President Rodrigo Borja today emphasized the need "to increase the efforts that will lead to regional Latin American integration" as "a general" process "that will promote every country's harmonious development and strengthen every country's capacity to negotiate."

During a ceremony at the White Hall of the Government House, attended by the foreign ministers of the two countries, Domingo Cavallo and Diego Cordovez, respectively, the presidents also signed cooperation agreements on tourism, diplomacy, and the prevention of drug abuse and the supression of the illegal drug trade.

In their joint declaration, the two presidents agree on the importance of "fully using the market systems in Latin America" as well as harmonizing economic policy instruments "with the private sector's active participation, establishing simplified operational rules."

The presidents express their "satisfaction" over German reunification and the possibility that, as of 1992, with an economically unified Europe, this will mean "a strengthening of the ties with Latin America that will contribute to Latin America's economic development."

The presidents also express their "deep concern" over the events in the Persian Gulf. They "reconfirm" their support for the UN Security Council resolutions on this problem.

After expressing their "willingness to preserve" the environment and improve the standards of living of their nations, the two heads of state emphasized "the need to eradicate extreme poverty and improve the standard of living in the Latin American nations."

In the joint declaration that was signed this morning at the Government House, Menem and Borja agreed in pointing out that the foreign debt crisis "affects economic and social development and represents a serious factor of imbalance with negative repercussions on Latin America's democratic processes."

They expressed their governments' intention to "comply with their commitments, within the framework of shared

responsibility between debtors and creditors and of respect for [words indistinct]."

Borja confirmed Ecuadoran Government support for "Argentine's sovereign rights over the Malvinas Islands and the South Atlantic." He also voiced his "interest in the current dialogue process and the normalization of the Argentina-UK bilateral relations."

The two presidents also expressed their intention to strengthen Argentine-Ecuadoran bilateral relations and to "readily implement the Rio Group political decision to support the bilateral agreements on integration and trade that are contained in the group's declaration that was released in Caracas."

Presidents Menem and Borja also signed three bilateral agreements, including one for the prevention of illegal drug use and suppression of drug trafficking. Both countries promised to "cooperate in this fight."

An article of the agreement states that, to achieve the objectives contained therein, the two countries agree to "create an Argentine-Ecuadoran Mixed Commission to combat illegal drug use and drug trafficking. The committee will be made up of representatives of the Argentine and Ecuadoran organizations and services that specialize in this fight."

This mixed committee will have the authority to recommend specific actions aimed at combatting drug trafficking and to make the appropriate recommendations that each case may require.

The agreement on tourism cooperation is intended to "maintain close relations in this field through the appropriate official organizations which will implement the agreement."

In addition to exchanging technical information on tourism, the contracting parties will exchange information on training and specialized courses on tourism, grant school enrollment and scholarships, and design joint programs.

The agreement on tourism also establishes that a bilateral mixed committee will be created to promote, among many other projects, the development of programs aimed at increasing, for purposes of tourism, the air routes between the two countries.

The agreement on diplomatic matters contemplates an "active exchange of study programs and seminars between the Antonio Quevedo Academy of the Ecuadoran Foreign Ministry, and the Foreign Service Institute of the Argentine Republic."

These organizations seek to establish cooperation mechanisms for documentation, publication, and library centers. They will also "keep in contact regarding all activities of common interest."

Menem Says Cavallo May Run for Governor

PY0311011290 Buenos Aires BUENOS AIRES HERALD in English 2 Nov 90 p 11

[Excerpt] (NA-DYN)—Foreign Minister Domingo Cavallo may leave the cabinet in mid-1991 to run for Cordoba governor, President Carlos Menem said yesterday.

"I think in Cordoba the Radical candidate will be (current Governor Eduardo) Angeloz," but "we will have a better one in Cavallo," said Menem.

"Cavallo can put up a good fight," he added.

Last night, Cavallo commented: "This has taken me completely by surprise."

"I haven't thought about (entering the Cordoba race) and I'll ask the President if he wants me to leave as Foreign Minister," said Cavallo.

With a smile, the minister admitted: "You can't say no to Menem." However, he made it clear that the President "never pressures us... he gives us great freedom in our political and personal lives." [passage omitted]

New Deputy Chief of Armed Forces Staff Named

PY0311015890 Buenos Aires TELAM in Spanish 0111 GMT 2 Nov 90

[Text] Buenos Aires, 2 Nov (TELAM)—Through Decree 2290 released today at Government House, the executive branch has appointed Brigade General Horacio Guillermo Canestro as deputy chief of the Armed Forces Joint Staff.

Menem Says Fuel Prices To Be Deregulated

PY0211221990 Buenos Aires Domestic Service in Spanish 1500 GMT 2 Nov 90

[Report by Silvina Martinez Porta from Government House]

[Excerpts] [Passage omitted] At 1030 this morning President Menem met with Ecuadoran President Rodrigo Borja at Government House. After exchanging decorations, the two presidents conferred for approximately 30 minutes in the presidential office. They later signed a number of agreements and a joint declaration.

After bidding farewell to the Ecuadoran president at Government House, Menem answered questions by Ecuadoran reporters.

Menem confirmed, among other points, that fuel prices will be deregulated as of 1 January 1991. [passage omitted]

Asked if he was concerned about some utility price hikes, especially that of fuels, Menem said:

[Begin Menem recording] No, on the contrary, prices have remained stable if we compare them with previous years. Prices are currently lower than those prevailing in 1960. The price of electricity in 1960, when Argentina was still doing well, was 32 percent higher than it is now. Thus, these prices are not a cause for concern.

Our economy has remained stable. We have ended speculation and usury. The government is no longer managing stock exchanges or involved in any businesses. There is complete, absolute deregulation. The government is not establishing fixed prices. As an example, I want to announce that beginning in January next year, we will be deregulating fuel prices. Thus, the prices of fuel, oil, and other related items will be established by their quality and by free competition. [end recording] [passage omitted]

Official PRC Delegation Arrives for Trade Talks

PY0411014290 Buenos Aires TELAM in Spanish 1925 GMT 3 Nov 90

[Text] Buenos Aires, 3 Nov (TELAM)—An official PRC delegation arrived in Argentina today and on 5 November will begin to analyze, together with Argentine officials, the possibility of increasing trade between the two nations.

The visiting group is headed by Gu Yongjiang, vice minister [as received] for foreign economic relations and trade, and includes the vice presidents of the cereal import and mineral export corporations.

The delegation will hold joint meetings with an Argentine group headed by Ambassador Hector Subiza, foreign relations under secretary. The meetings, which will be held from 5 to 8 November, will center on the purchase of grains, an agreement on binational companies, the establishment of credit lines, and the purchase and sale of industrial goods.

The PRC is Argentina's sixth largest client. Argentine exports to the PRC, which in 1989 totaled $420 million, consist mainly of grains and wool, while Chinese imports are mostly textile products.

Illegal Radio, Television Stations Shut Down

PY0311120890 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2101 GMT 2 Nov 90

[Text] Buenos Aires, 2 Nov (NA)—Five radio stations and two television channels were closed by the Communications Undersecretariat which, during inspection procedures covering the Buenos Aires and Santa Fe Provinces, found them to be operating illegally.

The following communications media were "silenced" for not having authorization to operate: FM Cristiana of Munro, Buenos Aires; Radio Latina of Pergamino, Buenos Aires; Radio Ecos of Llavallol, Buenos Aires; CC Television and Radio Ciudad of Lincoln, Buenos Aires; Channel 5 Television of Lanus, Buenos Aires; and Radio Pucara of Reconquista, Santa Fe.

October Fiscal Revenue Statistics Reported

PY0311003890 Buenos Aires BUENOS AIRES HERALD in English 2 Nov 90 p 5

[Text] (DYN-NA)—October's fiscal revenue exceeded 6.2 billion australs, 5.2 percent higher than targeted, the National Tax Bureau (DGI) announced yesterday.

In real terms, this figure was 29.34 percent above September's, which was, however, one of the lowest of the year. And compared with October 1989, the total obtained was down by 19.83 percent.

The funds obtained from the federal revenue-sharing taxes amounted to 4.5 billion australs, 5.7 percent above projections, and the non-federal revenue-sharing taxes 1.4 billion australs, 6.2 percent more than expected.

National Grain Board Reports Jan-Sep Exports

PY0311010690 Buenos Aires BUENOS AIRES HERALD in English 2 Nov 90 p 5

[Text] (NA)—Argentina's grain exports totalled more than 20 million tons between January and September this year, according to figures compiled by the National Grain Board. Holland was the largest customer, followed by Iran. 35 percent of the exports were destined to Western Europe, three percent to Eastern Europe, eight percent to North and Central America, 13 percent to South America, 18 percent to the Middle East, 13 percent to the Far East and four percent to Africa.

Bolivia

Minister Wants Extradition Treaty Updated

PY0211130690 La Paz La Red Panamericana in Spanish 1130 GMT 2 Nov 90

[Text] Interior Minister Guillermo Capobianco has stated that all extradition agreements must be updated. Bolivia and the United States signed extradition agreements in 1901 [as heard], but they do not include any clause on drug trafficking. Thus, Capobianco said, these agreements must be updated to meet modern requirements.

Capobianco said that it is not evident that the case of Erlan Echeverria, an alleged drug trafficker who will stand trial in the United States, was handled as an extradition.

Government Releases Letter of Intent to IMF

PY0311120290 La Paz PRESENCIA in Spanish 24 Oct 90 p 4

[Text] Bolivia will continue to reduce its debt to international private banks by exchanging "its debt for bonds." The debt balance, on which action must be

taken, stands at approximately $210 million. This is another commitment the Bolivian Government has made to the IMF.

A letter of intent sent to the IMF, which was released to the media, reports that Bolivia has continued to make progress in normalizing its relations with its foreign creditors and in reducing both the principal and servicing on its pending debt.

The letter notes that under the terms of the Toronto agreement, the Paris Club creditors agreed last March to reschedule 100 percent of the Bolivian debt that will fall due between 1990 and 1991, including the entire debt that had been rescheduled earlier.

The Toronto terms were established by developed countries for the renegotiation of the debt of those countries experiencing the most serious economic problems, such as the sub-Saharan countries in Africa.

The letter reports that Bolivia settled its debt with Argentina in 1989 (through a mutual cancellation of debts) and that it also achieved an advantageous agreement on its debt with Brazil in February 1990.

Under the latter agreement, Bolivia canceled $142 million of its debt in arrears by paying only $37 million during the first half of 1990 because it purchased Brazilian foreign debt certificates on the secondary market at a substantially reduced cost.

The letter sent to the IMF managing director by the ministers of the Bolivian economic team adds that Bolivia continued to reduce its debt to international private banks by using donated funds.

In 1990, Bolivia "repurchased" some $60 million of its debt with "fully guaranteed bonds" (at an average cost of 11 cents per dollar).

Yet, the "repurchase" of the debt from private creditors has been slower than expected because of the difficulties in reaching agreements with the banks and to the delay by some donors in supplying the donated funds.

The government insists on stating that Bolivia will continue to reduce its debt to the commercial banks by exchanging "the debt for bonds."

President To Visit Japan, Seek Financing

PY0311224890 La Paz EL DIARIO in Spanish 23 Oct 90 p 3

[Excerpt] Bolivian President Jaime Paz Zamora's upcoming 48-hour visit to Japan is aimed at obtaining funding for the construction of the Patacamaya-Tambo Quemado Highway and the Santa Cruz-Puerto Suarez gas pipeline, among other projects.

In statements to the media, Paz Zamora said that he will negotiate financing for the highway project with the Export-Import [preceding two words in English] enterprise and funding for the gas pipeline with Eximbank, following general negotiations with the World Bank and the Inter-American Development Bank [IDB].

The Japanese financial organizations have confirmed the financing of some of the two projects to the World Bank and the IDB, making it necessary to sign the bilateral accords to prevent any delay in disbursements.

Paz Zamora also said that he will make an official visit to Japan to strengthen bilateral relations. [passage omitted]

President Paz Zamora Discusses Economic Efforts

PM0211155290 Madrid ABC in Spanish 16 Oct 90 p 36

[Interview with President Jaime Paz Zamora by Francisco de Andres; place and date not given]

[Excerpt] La Paz—[Passage omitted] [Andres] Mr. President, your coalition government with General Banzer's conservative party is now over a year old. Many people did not forecast much of a future for this government, which initially seemed to have been formed "unnaturally," since the MIR [Revolutionary Left Movement] has historically advocated revolution. On what basis has this alliance been maintained?

[Paz Zamora] We have maintained it on several bases. The first is democratic, since our Constitution establishes the need to achieve a parliamentary majority to govern—a task that prevents this alliance from being essentially ideological. The second is the fact—which we have only just now realized—that our difference with "Banzerism" was more historical than ideological in substance. It was a confrontation marked by the dictatorship of that time, which concealed the possible differences or similarities of our programs.

[Andres] "Banzerism" has certainly changed since then. But what has changed in the MIR or in its beliefs that has caused your government's policy to espouse the neoliberal guidelines of your predecessor, President Paz Estenssoro?

[Paz Zamora] I want to make it clear that my party has never defined itself as Marxist. Our watchword has always been a return to democracy, and its defense. We have never taken socialism as our method and have always described ourselves as the "national left." We later linked ourselves to social democracy, but not so much in its internationalist aspect as in its dimension as an international democratic movement.

[Andres] Apart from the good results of its political transition, Bolivia has in recent years been portrayed as the model of a South American nation capable of beating inflation and starting a cautious recovery. Do you believe that Bolivia's formula can be applied to other countries of the area with similar problems?

[Paz Zamora] I believe that our economic model is both original and universal at the same time. I say this because there is no other way to curb hyperinflation than

as was done here: The methods were appropriate and universally recognized. Perhaps what was specific and original on our part was the fact that the government and the entire people underwent a considerable change of mentality. When we carry out opinion surveys now, the first thing that we see people asking the president is that he preserve economic and political stability: This has almost become a national value.

[Andres] Nevertheless, some believe that the credit should be given to the IMF, which chose Bolivia as a "pilot scheme" for its subsequent negotiations with other heavily indebted countries....

[Paz Zamora] Such things are said after the event, are they not? When we were defeating hyperinflation, nobody said that we were the IMF's guinea pig. But when we succeeded in this battle, there came these statements that we were a "pilot scheme." No, it was done because it had to be done, because otherwise the country would have gone to ruin.

[Andres] One of the most frequent criticisms of your present economic policy is of your resistance to making structural reforms to boost growth. Specifically, attention is drawn to your refusal to privatize state enterprises making a loss or to allow private capital to own the mining and energy resources. What is your attitude in this regard?

[Paz Zamora] It is not true that my government is not carrying out structural reforms. This is in fact the major challenge facing us, apart from the prime challenge of defending the political and economic stability that was the major task of previous governments. We are processing several laws that will for the first time open up Bolivia's major resources to private investment, which we have already started to do by means of decrees. But we are also tackling the problem of the fact that in the field of hydrocarbons and mining—two of the state's major resources—the Constitution forbids the sale of their ownership, and any change in this rule would entail 12 years of major political problems. This is what I am referring to when I talk about Bolivian-style "privatization" or of privatizing without selling, even though it may seem like a contradiction.

[Andres] According to American experts in the war on drugs, Bolivia has also started processing cocaine, to the extent of becoming the world's second-largest producer. The cocaine problem is reaching new levels. Is there any danger that Bolivia could experience a spiral of violence similar to Colombia's?

[Paz Zamora] Yes, unless we carefully and successfully implement the plan formulated by my government called "development instead of coca"—that is, the replacement of coca with other crops. I believe that the idea has been very successful, because we only introduced it to the international community a year ago, although I would say that is has been welcomed more enthusiastically in Europe than in the United States.

[Andres] Has this enthusiasm materialized in any economic aid?

[Paz Zamora] Yes. The American Government has doubled its economic aid to Bolivia for next year, whereas in Europe there are now special aid programs on the part of several countries, including Spain. They are all increasingly convinced that a balance must be found between the prevention and suppression of drug trafficking and the quest for a solution to the economic and social situation that feeds it.

Committee Wants UN To Investigate Chile's Bomb

PY0311200090 Madrid EFE in Spanish 2228 GMT 2 Nov 90

[Text] La Paz, 2 Nov (EFE)—It was reported today that a Bolivian congressional committee will ask the Foreign Ministry to request a UN investigation into the powerful fuel-air explosive (FAE) bomb being produced by Chile's "Cardoen" firm.

Juan Pereira Fiorilo, president of the Chamber of Deputies International Policy Committee, announced that he will ask the UN Disarmament Committee to determine the destructive capabilities of the device.

The detonation of the bomb in the Atacama Desert, as reported by a Chilean newspaper, caused great concern in Bolivian military and political circles.

Bolivian Foreign Minister Carlos Iturralde said on 1 November that the production of the FAE is a "very delicate" matter because it can alter the military balance in Latin America.

Bolivia's congressional opposition has presented a proposal under the slogan "disarmament for development" which asks Southern Cone countries to sign an agreement to simultaneously disarm and reduce military spending. The proposal is reportedly aimed at reestablishing the military balance in the southern part of the continent where countries are embarking on an arms race to counter the impact of Chile's FAE bomb, which has a destructive capability similar to that of a tactical nuclear bomb.

President Cited on Chilean FAE Reports

PY0411024090

[Editorial Report] La Paz PRESENCIA in Spanish on 18 October carries two items on reactions by Bolivian President Paz Zamora and Army Commander General Guido Sandoval to an alleged "arms race" in Chile because of that country's reported development of a fuel-air explosive bomb, FAE.

PRESENCIA carries a 300-word article on page 1 reporting that Paz Zamora has downplayed reports on the alleged arms race in Chile. The item quotes Paz Zamora as saying that he "does not believe that Chile is engaged in an arms race because no official report has

been released on the matter" and that "it is just a press report, which could be mere speculation." The report goes on to note Paz Zamora's explanation that the Bolivian Government has its own intelligence services to assess the situation in the region and neighboring countries. The item reports that the president also downplayed Chilean President Patricio Aylwin's statements that his country has no border problems with Bolivia. Paz Zamora says: "I find it logical that Chilean President Aylwin would reaffirm the thesis advocated by his country." He adds: "The Bolivian demand for an outlet to the sea will be reiterated as often as necessary."

The same paper carries on page 7 a 400-word report on statements by Bolivian Army Commander General Guido Sandoval on the Chilean situation.

Sandoval calls the arms advancements being pursued by Chile "with the technilogical support of the British Government" a "negative element" that jeopardizes peace in the continent and will disrupt the "political will of governments to consolidate the Latin American integration process."

PRESENCIA reports Sandoval's comment that the presidents of most countries on the continent are seeking to consolidate the integration process to foster the development of nations. He says: "An atmosphere of rapprochement and understanding is prevailing in the region. We would like to strengthen ties to create Latin American markets, share our technologies, participate in sports, and promote cultural exchange." He goes on to say that "this arms race promoted by Chile will disturb the atmosphere of peace and understanding prevailing among all Latin American countries."

Paz Zamora Meets Korean Trade Mission

PY0311114690 La Paz Television Boliviana Network in Spanish 0030 GMT 31 Oct 90

[Text] President Jaime Paz Zamora met today with an economic mission from the Republic of Korea. The mission, which is making a three-day visit to Bolivia, is headed by (Yi Du-hong), deputy minister of trade and industry, and it includes various government officials and executives of Korean private business. During the meeting President Paz said:

[Begin Paz recording] This is a new stage, a historic moment in the relations between Bolivia and Korea. I believe this will be the beginning of a work plan for good business between Bolivia and Korea. I hope that the good business will lead to mutual cooperation. [end recording]

(Yi Du-hong) said that his mission came to Bolivia to explore the possibilities for investing in the country, especially in the areas of steel mills, as well as to study possibilities for bilateral trade in the areas of energy and natural resources.

Government To Crack Down on Illegal Stations

PY0311115690 La Paz EL DIARIO in Spanish 24 Oct 90 p 3

[Excerpt] Under Secretary for Communications Edgar Prudencio has reported that a large number of radio stations and television stations are operating illegally.

Prudencio said the government is considering the position taken by the National Chamber of Mass Media Organizations, which has requested that regulations be established for the operation of radio and television stations.

Prudencio said: "The Transport and Communications Ministry has issued a resolution giving all media organizations, especially provincial radio and television stations, 120 days to submit all the documentation required by the General Telecommunications Directorate."

Prudencio said that special action must be taken regarding some radio stations that are operating without the required license. [passage omitted]

New Hydrocarbons Law Proclaimed; Opposition Noted

PY0311223090 Madrid EFE in Spanish 0121 GMT 2 Nov 90

[Text) La Paz, 1 Nov (EFE)—The Bolivian Government has taken another step in its economic reform program by proclaiming a new hydrocarbons law, the fourth law in a group of legal regulations seeking to attract greater investment to lead Bolivia out of the worst poverty in South America.

"We intend to join the club of great oil-producing countries," said President Jaime Paz Zamora after ratifying the hydrocarbons law approved last week in a heated session of Congress.

The new hydrocarbons law must be added to the new Mining Code—which lifts the prohibition on exploiting minerals and oil in the 50-km security strip along the Bolivian border—and the laws on investment and state administration [Integrated Control System of Financial Administration].

Planning and Coordination Minister Enrique Garcia said the Bolivian Government hopes that this new "open door" policy from which the "strategic" safeguard has been eliminated will allow foreign investment to increase to $450 million a year. This investment will allow an economic growth rate greater than the population growth rate, indexes which have been equal the past three years.

The economic reform process has been approved, however, after sharp conflicts with the opposition parties, which are threatening to ask the Supreme Court to declare the hydrocarbon and mining laws unconstitutional. "In defense of the Constitution, my party has decided to ask the Supreme Court of Justice to declare

the laws unconstitutional," said Guillermo Bedregal Gutierrez, leader of the Nationalist Revolutionary Movement (MNR).

The opposition maintains that the new hydrocarbons law and Mining Code will encourage corruption because they do not provide a system for calling bids for the exploitation of resources and allow the government to negotiate and sign mining contracts on its own.

"Instead of arranging things correctly to attract investors, they are going against the law and driving away investors. Now any contract signed by the executive branch can be challenged," Bedregal said.

CAF Grants $10 Million Loan to Private Sector

PY0311113490 La Paz PRESENCIA in Spanish 25 Oct 90 p 1

[Excerpt] The Andean Development Corporation (CAF) yesterday granted a $10 million loan to the Bolivian private sector. The loan will be administered by the Bolivian Industrial Bank which is working to obtain economic support to increase local production for domestic consumption as well as for exports. "It is an unusual loan granted under conditions very favorable for Bolivia. We hope it will be very helpful to Bolivia's productive apparatus," CAF President Galo Montano said after signing the documents guaranteeing disbursement of the loan. [passage omitted]

Brazil

Police Seize 506 Kg Cocaine in Sao Paulo

PY0211233790 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 2 Nov 90

[Text] The Sao Paulo Police have seized the biggest shipment of pure cocaine ever in Brazil: 506 kg. The drug was in the possession of drug traffickers linked to the Cali Cartel in Colombia and the Italian Mafia.

For the past two weeks Italian citizens Juliano de Montes, Alberto Nibe, and Renato Filipinis traveled throughout Sao Paulo and Rio de Janeiro pretending to be businessmen interested in setting up a company to export Brazilian knives to Europe.

The Federal Police, however, knew that the Italians were not interested in Brazilian knives. They purchased more than 300 sets of knives as a front for the product they really wanted to export: pure cocaine purchased from Colombia for distribution in Italy by the Mafia.

On 31 October, the three Italians and Colombian citizen Manuel Gaviria Vasquez were arrested while arranging the final details for the shipment of the drug. The police found the keys of a truck in their possession. In the truck the police found 506 kg of pure cocaine hidden among furniture and other items. The haul is the biggest ever seized in Brazil.

Each package carries a stamp with the well-known figures of four comic book criminals with the slogan that characterizes them: Those who do not care. This is the trademark of the Cali cartel. The cocaine is worth $22.5 million in Europe. After cutting and packaging, the confiscated drug would have yielded nearly 2 million doses.

Weapons Sales to Mideast Estimated at $3 Billion

PY0311112890 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Nov 90 p 14

[Report by Roberto Godoy]

[Text] Campinas—The Brazilian military equipment industry is engaged in a large operation in the Middle East involving the supply of ground-to-ground rockets, propellant, armored vehicles, all-purpose vehicles, tanks, and electronic systems for the Armed Forces of Saudi Arabia, the United Arab Emirates, and at least one other regional country. If all the deals being negotiated this week are closed successfully, the balance of payments will receive reinforcements of $3 billion, equivalent to some 336 billion cruzeiros.

Avibras Aerospacial [Avibras Aerospace Industry, Inc.] President Joao Verdi de Carvalho Leite, and Engesa [Specialized Engineers, Inc.] President Jose Luiz Whitaker Ribeiro are in Riyadh negotiating two big contracts. Verdi, who last month sold Saudi Arabia $70 million worth of supplies for the Astros-2 rocket-launchers, which the local Army uses regularly, is now discussing a new order amounting to more than $400 million, involving rocket-launcher trailers; multiple warheads for the SS-60 rocket, the largest of the system produced in Sao Jose dos Campos; and the development of heavier and longer-range configurations, a delicate issue inside and outside Brazil because it involves technologies directly linked to missile construction.

Whitaker has resumed negotiations to establish terms for the Saudi purchase of 318 EE-T1 Osorio tanks, with spare parts and support components amounting to $2.2 billion. The order, which has already been considered lost by Ambassador Paulo Tarso Flecha de Lima during the negotiations for the release of Brazilian citizens held in Iraq, has gained new momentum now that the U.S. Congress in Washington vetoed the sale of M1A2 Abrams tanks to Riyadh. (The U.S. Government has in fact been authorized to supply 315 assault vehicles. The embargo affects a second shipment, blocked by the action of the Israeli lobby [preceding word given in English], which is concerned over the growth of military capacity of the most modern Arab country). Should Whitaker be successful, the first EE-T1 tanks will be shipped to Saudi Arabia, ready for action, in a 10-month period at the most.

Meanwhile, Rio Grande do Sul's Kester Group is discussing the export of accelerator boards [placas aceleradoras] for military microcomputers. The product is not considered "sensitive" and does not involve advanced

know-how [preceding two words in English], but Riyadh officials have had difficulty purchasing the product in the conventional informatics market. The boards speed up personal computers and broaden their use in combat situations. The Kester group anticipates an initial contract of $250,000.

ABC Sistemas of Sao Paulo is studying how it may fulfill a Saudi Air Force need in the field of software for flight simulators, a new field for the national aerospace industry.

The firm would not comment on the matter.

Concrete evidence of Brazil's successful deals in the Gulf area will arrive today at Viracopos International Airport in Campinas. A gigantic Antonov-124 Condor cargo plane, the world's largest in its class, will arrive at this airport at an undetermined hour to transport 150 tons of rockets and propellants for the Astros-2 batteries that Avibras Aeroespacial sold the Saudis.

The cargo is part of a package of 10,000 rockets that the High Command in Riyadh purchased last month and which is being shipped in lots weighing up to 90 tons beginning 24 October. The Antonov-124 is 69.10 meters long, 73.30 meters wide (measuring from the tip of the wings), and has a maximum height of 20.78 meters. The landing gear has 24 wheels. The plane can carry a complete intercontinental missile, or a complete armored infantry regiment with equipment and vehicles on its main deck. Forty technicians will work at Viracopos Airport today to load the cargo. The SS-30, SS-40, and SS-60 rockets that are used by the Astros-2 have a range of nine to 70 km with an attack payload of 25 to 150 kg.

Help Reportedly To Be Given to Cuban Economy

PY0311190090 Rio de Janeiro O GLOBO in Portuguese 30 Oct 90 p 20

[Report by Germano de Oliveira]

[Text] Sao Paulo—After resisting the changes unleashed by perestroyka in the Soviet Union and the economic opening in Eastern Europe, Cuba is preparing to adopt capitalist management methods, and Brazil is one of the countries that will help Fidel Castro's government change Cuba's economic structure. Upon reporting this information to O GLOBO last weekend, Brazilian diplomats noted that the Cuban Government has decided to modernize its economy and has asked Mexico and Brazil to prepare the groundwork for this new process.

Brazil, which reopened trade ties with Cuba a few years ago, was chosen to develop telecommunications systems in Cuba. Brazilian Telecommunications, Inc. is already the official representative for Cuba to Intelsat, giving Cuba access to world satellites. This is the first step toward bringing informatics to various Cuban economic sectors.

Furthermore, a Brazilian Petroleum Corporation delegation arrived in Havana yesterday to conclude negotiations for the creation of a joint venture between the two countries in the area of oil research, prospecting, and even the distribution of fuels. According to the Brazilian diplomats, who asked not to be identified, the economic changes are designed to bring an end to the people's demands for profound changes in Cuba, which is ruled by one of the most intransigent regimes in Latin America.

According to rumors spreading through foreign embassies in the United States, Cubans residing in Miami—especially those who fled Cuba for political reasons—are anxiously waiting for changes to occur in Cuba. It has been reported that Fidel Castro is already preparing his succession and making arrangements for the new times, and many Cuban exiles are already thinking about returning to their country.

USSR Proposes Projects; Relations Viewed

PY0311174590 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Oct 90 p A 10

[Report by Jose Arbex]

[Text] On 25 October the Soviet Union offered Brazil a package of 1,500 projects for cooperation in the fields of science and high technology. The package includes the research and use of lasers, robotics, instruments to control precision machinery, aerospace technology, and transport vehicles for inhospitable regions. This is a new offer in the series that the Soviet Union has been making for the past two years in Latin America (and especially in Brazil) to challenge the market and geopolitical influence of the United States, Japan, and the European countries.

The key point of this strategy will be a Latin American visit by President Mikhail Gorbachev. The visit has been publicized, but it has also been postponed several times because of internal Soviet problems and other more urgent commitments in the international arena. The Soviet Union has great interest in strengthening its ties with its traditional Latin American economic partners, especially with Mexico, Argentina, and Brazil.

The package was submitted to Brazilian Ambassador Sebastao do Rego Barros, 50, by Aleksey Savin, chief of a group of 300 high-level scientists and technicians, 30 of whom belong to the Academy of Sciences. Savin is among those responsible for converting the Soviet war industry, one of the world's most sophisticated, to the private sector. He was also a director of the Bauman Technological Institute, which trained the Soviet Union's greatest scientists, including Tupolev, the aeronautics engineer.

According to Savin, the United States and Great Britain showed interest in the package, but the Soviet Union believes that Brazil is a more valid interlocutor in the first place because the Brazilian market has a "huge potential" because of the prospects of economic growth

and, in the second place, because the package can help Brazil to chip away at the barriers erected by the developed nations to block its access to high technology. In addition, Savin says, the Soviet Union is interested in raw materials and goods that Brazil can supply, thus generating the prospects for a larger trade exchange.

The opening up of the Soviet market began to gain momentum with the October 1988 visit to Moscow by then President Jose Sarney, who signed nine protocols of intent for cooperation in all areas. A year later, Viktor Marchuk, president of the Soviet Academy of Sciences, visited Brazil heading a high-level delegation.

On that occasion contacts in the military sector were intensified, and Brazil expressed interest in technology pertaining to rocket fuel. The dissemination of this technology was banned through an agreement between the seven most developed capitalist countries. The Soviet Union morally adhered to that agreement, but China, which also has such technology, has always kept its options open for possible sales to other countries, including Brazil. It was never made clear to what level talks between Brazil and the Soviet Union reached.

The contacts between the two countries continued and gained more momentum with Fernando Collor de Mello's visit to Moscow in January 1990, a few weeks after he had been elected president. The naming of military attaches has been one result of this process.

Guidelines for Embraer Recovery Plan Announced

PY0211171890 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Nov 90 Economic Section p 5

[Text] Sao Jose Dos Campos—Ozilio Silva, superintendent of the Brazilian Aeronautics Company (Embraer), yesterday announced a plan to rescue the state-owned enterprise through measures designed to reduce costs, obtain resources, and postpone the construction of new aircraft until Embraer manages to reduce its debt, which is currently estimated at $680 million. The most controversial decision is the dismissal of 3,994 employees (32 percent of the current staff), which will reduce the number of employees from 12,539 to 8,545.

Two efforts are being made to avoid the dismissals: The Sao Jose Metalworkers Union has gone to court, and Senator-elect Eduardo Suplicy (Workers Party) is negotiating the issue with the federal government. Last night, Suplicy disclosed that Justice Minister Jarbas Passarinho today will brief the president of the Republic on the workers' request that the dismissals not be regarded as an Embraer decision but rather a plan to be discussed during the next 10 days with the labor union. Suplicy said that he spoke to Minister Passarinho over the phone.

The Embraer plan involves several internal and external measures. One measure involves bringing in $150 million in capital by selling company shares to foreign banks. The government has already authorized this measure. Embraer is also hoping to receive the $176 million owed to it by several clients, among them the Aeronautic Ministry itself—that is, Embraer's largest shareholder. Embraer management will try to obtain loans so that the company can continue two projects currently under way: the CBA-123 and the EMB-145 aircraft.

Today Embraer will start compiling the list of employees to be dismissed. Management has admitted that it will lose many experienced technicians.

UK Continues Investing in Environmental Projects

PY0311152090 Rio de Janeiro O GLOBO in Portuguese 31 Oct 90 p 17

[Text] Brasilia—On 30 October Lynda Chalker, British minister for overseas development, and Brazilian Foreign Minister Francisco Rezek signed agreements to add the final touches to two environmental preservation projects which have already been implemented: one in Para State and the other in Pernambuco. In Brasilia, Chalker opened the First Anglo-Brazilian conference on Environment Recovery for the Preservation of the Tropical Forest.

Chalker arrived in Brazil on Sunday and went to Recife to learn about the environmental pollution control project being developed by the two countries. Great Britain has released $488,000 for that project, which seeks to strengthen and train state agencies as institutions for training, research, control, and consultation regarding environment pollution.

The other joint project is the installation of the Research Station in Caxiuma to facilitate the study of Amazon ecosystems. The Emilio Goeldi Museum, Para State, will receive $2,704 for this project.

Minister Chalker said her country intends to support a number of research projects in Brazil. She said that those projects will join British and Brazilian technologies and that Great Britain will invest 4 million pounds sterling.

Position on Subsidies To Be Reiterated at GATT

PY0311143490 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 3 Nov 90

[Text] Brazil will not agree to negotiate agreements on services, technology, and tariffs if the industrialized nations do not agree to remove or reduce their subsidies to exports of agricultural products.

President Fernando Collor gave this directive to Agriculture Minister Antonio Cabrera, who will depart for Geneva, Switzerland, today, heading the Brazilian delegation to a GATT meeting.

The agricultural sector represents a government priority in the negotiations that will outline the world trade standards.

Collor Appoints National Economy Secretary

PY0311221290 Rio de Janeiro O GLOBO in Portuguese 30 Oct 90 Economy Section p 22

[Summary] President Fernando Collor yesterday appointed Edgard Pereira, director of the Supply and Price Department, to serve as national economy secretary. He replaces Joao Maia, who has been appointed Economy Ministry executive secretary.

Foreign Debt Renegotiation To Resume 6 November

PY0211124690 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 2 Nov 90

[Text] Brazil will resume renegotiation of its foreign debt on 6 November. Foreign debt negotiator Jorio Dauster will travel to New York on 5 November. He will be accompanied by Central Bank and Economy Ministry advisers. They will not take any new proposal to the meeting. Dauster said Brazil expects to rapidly conclude negotiations with the creditor banks.

Border With Venezuela To Be Redemarcated

PY0311145890 Sao Paulo FOLHA DE SAO PAULO in Portuguese 31 Oct 90 p A 6

[Text] The Brazil-Venezuela border, involving the BV-8 landmark (210 km north of Boa Vista, Roraima State), will have to be demarcated again. The Foreign Ministry Border Demarcation Committee (CDL) concluded that prospectors destroyed the border landmarks to prevent the destruction of clandestine landing strips built in the territory of the Ianomami Indians.

The landmarks were driven into the ground so that the strips, which were formerly on Brazilian territory, would appear to be on Venezuelan territory. The confusion sparked conflicts between the armies of the two countries. The Venezuelans claim ownership of all the gold mining areas on the border, while the CMA [Amazonia Military Command] states that a new topographic survey will have to be conducted on the border between the two countries.

The landmarks removed by the prospects are of cement and their exact original positions are now unknown. According to the CDL, this will make a new demarcation difficult. It will have to be conducted by diplomats, geographers, and military men. The new demarcation will begin in the second half of November.

Chile

Editorial Calls for Lifting of Kennedy Amendment

PY0311022490 Santiago EL MERCURIO in Spanish 26 Oct 90 p A 3

[Editorial: "The Kennedy Amendment"]

[Text] The U.S. Congress joint commission that will approve the final text of the Foreign Assistance Law will decide on a motion to authorize the provision of parts, pieces, and manuals for the F-5E fighters, A-37 warplanes, and C-130 cargo planes bought by the Chilean Air Force [FACh]. The Senate has already approved this motion.

Under this motion the Kennedy Amendment, which bans the supply of materiel to the Army, Navy, Air Force, and Carabineros, will be maintained with the exception of the aforementioned parts.

The procedure that the United States has followed has been very surprising. First, if the United States wanted to authorize the supply of parts or any other military equipment, President Bush could have authorized it through a note to Congress certifying that the Chilean Government is respecting human rights and is cooperating in the effort to prosecute the people involved in the murder of Orlando Letelier and Ronnie Moffit. Such a certification, which is a precondition for the supply of the aforementioned equipment, is totally justified because of the true respect for human rights in Chile and the commitments that the Chilean Government has assumed in connection with the Letelier case. President Bush should have lifted the Kennedy Amendment himself instead of waiting for a congressional decision.

The most significant criticism of this congressional motion, however, has to do with the penalty that the other Chilean national defense institutions will suffer. Some people see this penalty as open intervention in Chile's domestic affairs. There is no objective reason to discriminate against the other defense institutions. The fact that the Air Force is more dependant on U.S.-made equipment is not a good enough reason. The restrictions should be lifted without discrimination.

The so-called Kennedy Amendment has become a serious obstacle in relations between Chile and the United States. On the one hand, it has awakened serious doubts about the reliability of the United States as an arms supplier—a vital matter for Chilean security—based on previous long-term agreements. On the other, the refusal to provide the materiel has caused an imbalance. This imbalance was especially noticeable at the end of the 1970's, when two of our neighbors who could fulfill their military needs through the United States created tense situations over historical problems. Fortunately, the problems with our neighbors and the supply of materiel were overcome. The defense institutions have been able to produce some of the equipment they need in our country, and they have diversified their purchases in countries that have not placed conditions on their sales.

The Chilean Government has taken significant steps to promote relations with the United States. The two countries share the sound values of democracy and political and economic freedom. For this reason, and for the sake of traditional friendship and reciprocal cooperation, the Kennedy Amendment must be lifted. This amendment has already caused unjustified damage to bilateral ties.

Our country hopes that the Kennedy Amendment will be lifted before the upcoming visit of President Bush. Such a step would properly reflect his interest in strengthening Chilean-U.S. ties.

Visiting Brazilian Minister on Inflation, Accord

PY0211221890 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Nov 90 Economy Section p 3

[Text] Economy Minister Zelia Cardoso de Mello has been in Chile for the past two days. During her stay in that country she signed an agreement to establish a commission to look into economic cooperation measures between the two countries and dedicated the Brazilian stand at the Santiago International Fair. Zelia told Chileans that inflation is completely under control in Brazil and that the government will not adopt any additional measures beyond those contained in the team's original plan. Regarding economic integration between the two countries, Zelia told Chilean Economy Minister Carlos Ominami that the Brazilian Government is already willing to grant preferential import tariffs for Chilean goods, as is already done with Argentina and Uruguay.

Government Takes Steps To Boost Economy

PY0311125690 Madrid EFE in Spanish 0104 GMT 31 Oct 90

[Text] Santiago, 31 Oct (EFE)—The Chilean Government today announced several measures aimed at reactivating the country's economy, which has been seriously affected this year because of the implementation of an adjustment policy designed to curb an "overheating" and an inflationary outbreak that began by mid-1989.

The Central Bank reduced the interest rate by one point (from 8.2 to 7.2 percent). This decision has brought relief to the business sector, which for many months has criticized the high interest rates.

High interest rates have been the main adjustment mechanism implemented by the Central Bank since January. Businessmen said that the target has been overshot and that there is a risk of recession.

According to the Industrial Development Association [Sofofa], an organization of industrialists, the manufacturing sector grew only 0.3 percent between January and September 1990, and this growth will drop to zero by the end of the year.

Last year, the "overheated" Chilean economy grew by 10 percent, and it is estimated that this percentage will not surpass 1.5 percent this year because of the effect of the adjustment and the oil crisis caused by the Iraqi invasion of Kuwait on 2 August. (Chile imports 85 percent of its oil.)

Central Bank President Andres Bianchi has said that the energy crisis has also jeopardized the struggle against inflation, which will increase from 21.4 percent in 1989 to 30 percent.

Bianchi ruled out the possibility of an inflationary spiral in Chile because the adjustment policy has succeeded, and the current situation has been originated by external factors that cannot be controlled.

Finance Minister Alejandro Foxley said today that the government will cut by five percent the public allocations initially earmarked for 1991. He added that the government has already submitted an amendment to the budget bill being analyzed by the Senate.

Foxley said that the cut in public expenditures will be the government's contribution in this stage during which sacrifices must be shared to overcome the difficult situation and to have the country regain the steady growth process it experienced in the past few years.

Foxley said the cut will not affect social programs aimed at benefiting the country's poor sectors and that it will be instrumental in promoting the two main objectives of the government's economic policy: to reinforce macroeconomic balance and to make further efforts in the social sector.

The minister announced that salaries in the public sector will be increased by 25 percent effective 1 December, thus benefiting 300,000 public employees, including Armed Forces personnel.

Splits Within Communist Party Detailed

PY0511003090 Santiago APSI in Spanish 22 Oct-5 Nov 90 pp 20, 22

["Chronicle" by Valentina Hernandez: "Splits and Counter Splits"]

[Text] Information and some disloyalties flow; however, for several reasons, prudence prevails. Most dissidents prefer to speak anonymously for several reasons, one of which frequently is "because there is good fishing in troubled waters" (perhaps the reason most questioned by the PCCh [Communist Party of Chile]). In the face of criticism, the PCCh's response is usually an insult—"an offensive name." Even though the party leadership has accused the dissidents of "seeking the party's destruction," nobody wants to harm it, not even when the disenchantment is recent, since the first stage after leaving the party is the most painful, says a former PCCh militant who abandoned the party years ago. Nobody outside the party wants to talk about it so the party will not be harmed. The party's defects and arbitrary measures are not mentioned. Afterward, you begin waking up: indifference and, in the end, annoyance. It is annoying to speak about the party. "The link is so strong; I know of some comrades who continue working for the party even after they leave it," states Mauricio Redoles, who recently half-publicly announced his resignation from the party. He made a formal announcement to his PCCh cell.

Finally, there are some people who prefer to talk anonymously because they do not intend—they say—to contaminate further the party's internal atmosphere, which is already rarefied.

This atmosphere—which is the result of a several factors—is driving away followers, including the most fervent devotees. The leadership is irritated, and even more so after a seminar was held on the PCCh crisis: Suggestions for a Necessary Conversation. The seminar was organized by more than 60 dissident professionals and held from 29 to 30 September at Santiago University. Twenty-six reports or different points of view were voiced. The organizers agreed on two main points: the needs to seek a unified path for renewal and to expedite the debate on the PCCh renewal process. Although PCCh Secretary General Volodia Teitelboim and 10 members of the Central Committee were invited to the seminar, none of them attended.

A few days later, in another seminar held at the Alejandro Lipschultz Science Institute, Volodia Teitelboim flatly stated: The party is in crisis. Change is inevitable, but "what deserves to survive" will survive. The task of renewal—and here he struck a blow against those who "undermined" the party—"is the task of all the party militants, not just a small group that describes itself as a group of intellectuals." Second warning: The corrective suggestions must be "fully" discussed, but behind closed doors. And the third warning: The party has been infinitely patient with the provocateurs ("some comrades have gone too far"). Nobody has yet been expelled from the party, but all organizations have a responsibility to safeguard their integrity.

Spurred by the events in Eastern Europe, the PCCh is coming apart, but mainly as a consequence of its internal leadership, which has been denounced as "dogmatic, sectarian, Stalinist, and outdated." Redoles states: "My problem is not with the party, but with the apparatus, which has taken control of the party and become a barrier"—an allegation cited by our interviewed dissidents as a reason for the differences within the party.

At the risk of being described as "lacking seriousness," or "being superficial," or of issuing "hasty judgments," it is possible to distinguish (with a share of arbitrariness and inexactness) three major categories and some subcategories of communist dissidents.

Some of the dissidents are those who "have gone home" which more or less is equivalent to "remaining in the dream" for Freemasons. These people, unhappy with the line followed by the party, are no longer active militants, but they have left the party on good terms, without fighting with anyone. (For this reason, their honor and fame remain untarnished).

There are others, those who formally abandoned the PCCh and who are currently politically active former Communists. They are subdivided in at least two subgroups. Last February, the Manifesto for Democracy and the Renewal of Socialism became "a political faction or trend." Thirty people organized it. The Manifesto group was headed by Hugo Rivas, Eduardo Sabrowsky, Antonio Ostornol, Luis Alberto Mancilla, Alberto Rios, and Claudia Lanzarotti, among others. In August, a sector from the Manifesto group joined the Socialist Party, and soon others will follow them. Still others will join the PPD [Party for Democracy], while another group will remain "independents," says Alejandro Toro, a former Communist senator.

A second group, made up of eight people who on 10 April resigned from the party, includes Patricio Hales, former senator Toro, Diego Walker, Patricia Cardemil, Jorge Olave, Jorge Cabezas, Fernando Cuevas, and Luis Alberto Mancilla.

Perhaps a simple and arbitrary way to classify the dissident Communist militants would be to group them in a certain sector. In practice there are interactions among them. A source said: "I daresay that few are staunch supporters of or really wedded to an idea."

According to Mauricio Redoles, "the dissidents have a point in common: As far as I know there is no organized group." Another dissident, however, did not say that. He said: "There is an organized faction. It is a strong sector; it advocates conspiracy. Of course this sector is seeking financing and political support abroad."

In July the 10th Plenum of the Central Committee received a report on the party crisis which was later published by the magazine PLUMA Y PINCEL. The publication disclosed that some ideas that remained latent for years have gained force within the party.

The most notable dissident group is headed by Augusto Samaniego, Manuel Fernando Contreras, Leonardo Navarro (researchers who resigned from the Central Committee at mid-year), Alvaro Palacios, and Emilio Gautier.

History is full of shadows that create contradictions. Samaniego, Contreras, Navarro, and Palacios were recognized as the intellectual nucleus who prepared the Popular Rebellion Policy. Several dissidents specifically remember Samaniego and Contreras as "two sharp knives," as the men with confidence of the party apparatus. Samaniego was appointed ICAL [expansion unknown] director replacing architect Miguel Lawner. As ICAL director Samaniego "dismissed" the intellectuals who were critical of the party apparatus." But as the world spins around after the national conference held late last May, Samaniego had to leave ICAL. (He was replaced by Miguel Insunza, a member of the party apparatus). This intellectual nucleus is now involved in another task: They are preparing a plan for the party's reorganization and democratization.

A document prepared by Manuel Fernando Contreras is now circulating. Contreras says that in addition to the structural factors of the party's political and ideological crisis "the stubborness of the current party leadership and its Stanilist backwardness" are exposing the party to

a terminal crisis. Contreras proposes the refoundation of the party and the creation of a new leftist front to become multiclassicist, to be pragmatically defined, to be without an exclusive ideology, to be open to progressive tendencies, and to be capable of reflecting the different aspirations of the people.

The second group, which the party apparatus disdainfully labels the "social democratic faction," includes Luis Guastavino ("separated" from the party, which is a euphemism equivalent to expelled); Orel Viciani; Antonio Leal; Pedro Vuskovic, former economy minister of the UP [Popular Unity]; Miguel Lawner; Lautaro Contreras; and former Deputy Ruben Zapata. This group is strong in the Santiago metropolitan area and the fifth region.

Guastavino (who no longer wanted to be a communist with "petrified thinking") demands the renovation of the PCCh. He believes that a change in the PCCh is still possible, but he does not discard the refoundation of the party. He proposes the creation of a nonmonolithic and pluralist party with internal democracy, a party capable of self-criticism. This group emphasizes one point: Nowadays any party that hopes to be democratic must advocate the right to disagree and to admit internal movements. The majority must be respected, but minorities must have enough room to express themselves, which is the only way to get to power.

Recently other disciplined militants have criticized the "lack of real conditions to think and debate with freedom in the party." For example, this is the main reason for the differences between Fanny Pollarolo and the party leadership. She said so the resignation she submitted to the Central Committee.

There is even a fourth group which someone labeled the "anarchic-dissidents." The individuals in this group have no specific influence (or tendency) and are almost unknown to the public, but they represent another sign that no one is unshakeable in front of the collapse of the old doctrines and beliefs.

Faced with a diversified dissidence, as you see, the ruling faction can hardly manage to reconcile all these positions. The militants who most strongly criticize the apparatus are pointing their fingers at the nucleus that has control over the political and military apparatus: "They have the real power. For them, the saying that they have become a great faction is a fallacy and a coarse expression. But it is true, and since they have control of the party they represent the 'legitimate' faction, and as such, they bless, designate, and punish," a dissident stated. Those militants mentioned some names: Gladys Marin ("the gray eminence," "the great organizer"), Guillermo Scherping, Jose Sanfuentes, Miguel Insunza, Manuel Cantero, Manuel Hernandez, Mario Aguirre, Carlos Zuniga, Moises Labrana, Oscar Azocar, and Lautaro Carmona. ("Surely they will soon send a denial. Get ready.")

And what about Secretary General Teitelboim? Well, he publicly and officially delivers the PCCh's renewal speech: "He is a great rhetorician, but the 'nucleus' is always at his side," a source stated. The general opinion is that Teitelboim is the party's administrator. And Jorge Insunza is closer to Teitelboim, but after all, he is engaged in a dispute with Gladys Marin over the Secretariat General.

And within the ruling faction there is a "third group" [terceristas]: Luis Corvalan, top PCCh leader for 31 years; Americo Zorrilla, former Allende minister; Poli Delano; Jose Balmes; and Sola Sierra, chairwoman of the Association of Relatives of Missing Detainees.

Periodically the board reports on the development of the difficult renewal process. It also explains that the objective is the "revolutionary renewal," which rejects the existence of tendencies, or internally structured groups, because they are not qualified to act. Teitelboim had said that they prefer the coexistence of "30,000 or 50,000 opinions to the existence of several trends," because in a political organization trends are divisive factors.

Dissidence increases. The apparatus will have to do something to stop the "factionalists." The document submitted to the 10th Central Committee Plenum stated: "No punishment will be meted out to anyone, but the time has come to make a decision." Some dissidents believe that such a decision can no longer be delayed because the internal cost the board is paying for not punishing indiscipline is much higher than that to be paid abroad, a source explained.

It is believed that the disciplinary measure will probably come together with the 60,000 signatures collected to legally register the party at the national level. Another critic of the board stated: "We must admit that the collection of 60,000 signatures is a great, great accomplishment today." That expected moment could take place by the end of the month at Caupolican Theater, which is expected to be very crowded that afternoon.

Further on Arrest, Training of Terrorists

PY0311233090 Santiago Domestic Service in Spanish 1000 GMT 1 Nov 90

[Text] Agents from the Carabineros Intelligence Service have arrested three members of the Manuel Rodriguez Patriotic Front [FPMR] for their participation in various terrorist actions. They have been identified as Rodrigo Hidalgo Garcia, 23, a sociology student; Mario Augusto Borman Munoz, 22, a printing technician; and Fernando Antonio Valenzuela Valenzuela, 23, an unskilled worker.

The suspects confessed their participation in armed robberies of commercial businesses, banks, and vehicles in various sectors of Santiago. One armed robbery netted 3 million pesos from the 18 September Compensation Bank at 125 Natarial Street.

Colonel Juan Carlos Salgado Guzman, chief of the Carabineros East Prefecture, said that these three people are members of the Communist Youth organization.

[Begin Guzman recording] It should be noted that the detainees admitted having joined the Communist Youths in 1983-85. Hidalgo Garcia admitted joining the FPMR in 1986 and said he was assigned to finding safe houses and casing locations to prepare subversive actions against public and private facilities. The party sent Fernando Valenzuela Valenzuela to Cuba last year to receive training. He returned to Chile this past August. [end recording]

Colonel Salgado Guzman reported that the detainees had used M-16 automatic rifles in their robberies. Charges against them have been filed in court.

Drug Trafficking Investigation Committee Created

PY0311144590 Santiago Radio Cooperativa Network in Spanish 2200 GMT 31 Oct 90

[Text] On 31 October the Chamber of Deputies created a special committee to investigate drug-related problems and drug trafficking. The committee was created in accordance with a unanimous decision made by the Chamber of Deputies recently when the drug trafficking problem was debated in a secret session.

Deputy Luis Le Blanc of the Christian Democratic Party of Arica was elected president of the special committee. Le Blanc explained to this radio station the importance of the special committee:

[Begin Le Blanc recording] I believe that this committee is extremely important because its creation was unanimously approved by the chamber. A large part of the population is becoming more aware of the drug problem. This committee will carry out serious and efficient work not only to become aware of this problem but also to provide suggestions, recommendations, and specific proposals on this issue [words indistinct]. Through the ministries that are closely concerned with the drug problem, the government will also assume its responsibility on this issue. [end recording]

Ecuadoran President Borja Makes Stopover

PY0211131290 Santiago Domestic Service in Spanish 1000 GMT 2 Nov 90

[Text] Ecuadoran President Rodrigo Borja made a 30-minute stopover at the Antofagasta airport, where he was received by Antofagasta Intendant Blas Espinoza and other regional and provincial authorities.

In a brief interview with the media, the Ecuadoran president said he was happy to land in Chile.

[Begin Borja recording] I am happy to return to Chile, even if it is only a brief stopover in Antofagasta, and to be able to meet with you and, through the media, express my warm greetings to the people of Antofagasta and of Chile, whom we greatly admire in Ecuador.

During my administration, I intend to carry out all sorts of actions designed to open Ecuador's doors to the rest of the world. This, I think, is my 14th trip abroad in the past two years because I am determined to reinstate Ecuador in the international arena so its voice can be heard in all international forums in an independent, active, and sovereign manner. This is why I am very happy to be in Chile. As you may remember, I came to President Patricio Aylwin's inauguration. [end recording]

Rodrigo Borja expressed thanks for the welcome he was given by the regional government in President Aylwin's name.

Satellite Station Planned for Base in Antarctic

PY0311231090 Santiago EL MERCURIO in Spanish 26 Oct 90 p 20

[Excerpts] A project to establish a satellite station at the Liberator General Bernardo O'Higgins Air Base in the Antarctic is under way. This project is being carried out jointly by the Chilean Antarctic Institute (INACh) and the German "Alfred Wegener" Institute for polar and maritime research.

Work on this project, known as ERS/VLBI "O'Higgins Station," began in November 1989 and will include the installation of an antenna to pick up signals from the European Research Satellite (ERS-1), which will be put into orbit in 1991.

This information was supplied yesterday by Army Aviation Commander Colonel Aquiles Navarrete Izarnotegui. [passage omitted]

The project will cost $15 million and will be financed by Germany.

The Army will provide logistic support through its military base in Antarctica. Two officers are now in Germany becoming familiar with the operation and testing of the ERS/VLBI "O'Higgins Station." [passage omitted]

Central Bank Releases Trade Surplus Statistics

PY0411002590 Santiago LA SEGUNDA in Spanish 24 Oct 90 p 16

[Summary] The Central Bank has reported that the trade surplus for the month of September totaled $94.1 million and the accumulated surplus for 1990 $1.149 billion. September exports stood at $617.6 million while imports totaled $523.5 million. Also, on 15 October net international reserves stood at $4.741 billion.

*** Lautaro Violence Deepens Concern Over Youth**

*** Group's Attraction Analyzed**

91SM0018A Santiago EL MERCURIO in Spanish 30 Sep 90 pp d-2, d-3

[Article by Alvaro Quijada B.]

[Excerpts] Public alarm and troubled minds have been this week's keynote. Broad segments of the political, student, and social spectrum have commented on the statements of Marlene Sandoval, the mother of a 17-year old girl who is accused of taking part in holdups as a member of the Lautaro Youth Movement (MJL) and who last Friday was declared fully competent to stand trial by Judge Blanca Torres.

There is already talk today of secret meetings among members of Congress and the Executive Branch to develop strategies of action for dealing with terrorism that makes use of young people to stage holdups and commit murder.

The president of the National Federation of Secondary School Students, Alejandro Chanique, spoke of "more than 5,000 young people belonging to this movement." Senator Eugenio Cantuarias of the UDI [Independent Democratic Union] called for an investigation of the Latin American Secondary School of Integration because of "the especially wide following that the Lautaro Youth Movement has gained" there.

Towards the end of the week the youth leader said that the press had distorted his remark and that the number represented its overall influence. Other sectors immediately went further and are now talking about democratizing education and incorporating subjects that have been taboo in recent years in order to win back young people and insure them a better future.

This widely criticized movement was born in 1982 and 1983. It started with a group of MAPU [United Popular Action Movement] leaders "who had no influence in the group and disagreed with the policies adopted by party leaders," MAPU members have indicated. Since then it has been holding up financial institutions and commercial establishments in an effort to secure 18 items that they feel have been denied young people and shantytown dwellers. In warning of the actions of this terrorist criminal group, some circles have even gone so far as to question the values of society as a whole.

We are all asking ourselves today: Why does this group exist? What is its attraction to youth? And what can be done to get rid of it?

Let's Take It All!

This ambiguous slogan is seen in pamphlets and graffiti and heard during the criminal actions that the "Lautas," as their sympathizers call them, undertake. Among the young people recruited by the Lautaro Movement, which includes both the Rebel and People's Forces and the youth movement itself, the prime targets are those coming from socially disadvantaged conditions: with little schooling, social and family problems, as well as those who feel disoriented, passed over, and lacking a goal in life. [passage omitted]

Relentless Persecution

The uniformed police are close on the movement's trail. They comment that "in no way do they have us at bay," as the saying goes, noting that they are clearly representatives of antivalues. They add that their organization is "...rudimentary. They're anarchists, mentally and intellectually limited people." They estimate that the group consists of no more than 800 people, 1,000 at the most. "In fact, some of its members are involved once, get what they want, and leave." Others receive a sort of salary for each of the actions that they undertake, 10,000 per holdup, 40,000 for a slaying.

With regard to two of the movement's best known figures, Diego Carvajal, its leader, and the "Submachine Gun Woman," Carabineros says that they are probably not individuals but rather titles or positions in the hierarchy.

"What the population ought to do is ridicule them, isolate them, and not make them seem like heroes. Some people have already quit the group completely disillusioned when they were faced with a situation in which someone's life was at stake."

Liars and Chauvinists

People inside MAPU are seeking explanations for the Lautaro Movement's actions, though without altogether justifying them. To them Lautaro arose as an organization that was capable of mobilizing young people at a time when efforts were being made to overthrow the previous government. They have taken into their ranks young people from outlying shantytowns or dysfunctional homes, all of them belonging to "a generation in which most of the avenues for satisfying their basic needs were closed off," says Cesario Flores, the first secretary of MAPU.

In 1987 Lautaro took a more radical tack when protests began making less sense and decided to go underground. At that point it shifted its emphasis to terrorist action.

Jorge Heller, a member of MAPU's political commission, tries to explain the difference between violence and terrorism in this document:

"We live in a society and an order permeated with violence. It exists, for example, in the class division of society, in the situation of children who starve to death, and in drug addiction among youth. Nevertheless, terrorism is barbarism that perverts violence to an extreme and seeks to subjugate a given community through fear, through paralyzing terror."

In seeking out the real reasons for the current strength of this terrorist movement, Flores feels that it is due to "the

crisis on the left, the way that it portrays and undertakes its activities to carry out its grassroots agenda."

He adds that "the left urgently needs to revamp itself without thinking about building a left with Lautaro-style forms of struggle; rather, it should aim at one that will responsibly accept the changes that have taken place in the country and the world, one that will accept technological changes."

Regarding the left's responsibility for the current strength of the Lautaro Youth Movement, Floes indicates that the responsibility lies in having been unable to provide young people with an answer, in not having provided a specific grassroots agenda."

[Quijada] The Lautaro Movement is also called MAPU-Lautaro. This ties them, at least in name, to you. Is this a problem for the party's current image?

[Flores] We, like the Lautaros in relation to our party, were part of Christian Democracy. After 1969 we set ourselves up as a separate group. The link that we had with the MJL disappeared some five or six years ago, when they described themselves as a military political party and when their leaders drifted away.

[Quijada] How would you describe the Lautaros?

[Flores] I think that they're liars and chauvinists who feed off the publicity in the press and their own propaganda in praise of their actions. I don't think that their actions are going to destabilize the political system. To give them coverage is to exaggerate their importance.

Ignorance In Their Midst

The Lautaros have not succeeded in destabilizing the country's existing institutions. Nor have they managed "to take over Chile," to rape the country," or "to live joyfully and in full sexual freedom."

What they have managed to do is attract the attention of everyone who has anything to say about their anarchic, anti-establishment attitude. And more seriously, there may indeed be a number of young people who sympathize with or are prepared to follow them.

Two youths have died recently in confrontations between Carabineros and members of the MJL. The first, Aurelio Norambuena Soto, lived with his parents in a modest house of just 32 square meters in La Pintana. Both his parents and his married sister, who also lives there, have declined to say anything about the young man's activities. They say only that "we know nothing, we have nothing to say. Leave us alone." They display a restrained aggressiveness towards anyone who wants to ask them about the slain youth.

A similar atmosphere prevails in the home of Julio Eyzaguirre Reyes, who died in a second confrontation with Carabineros. His body was found in a car outside Jose Joaquin Aguirre Hospital. The house that was his home is grief-stricken today. His mother has not yet gotten over the blow and tries to avoid being alone in the house. They have become skittish, fearful. A daughter-in-law who lives in the house next door says that "they're still in shock; they were completely unaware of Julio's activities."

The Latin American Secondary School of Integration on Los Leones Avenue is in a state of alert vis-a-vis visitors. Dozens of newsmen have tried to obtain details about Carolina's activities but have been unable to secure a response that would shed light on her connection to the MJL.

Professor Pedro Aceituno is the director of the Latin American Secondary School of Integration, where the arrested girl studied. He is also her chief teacher and says that to everyone at the school "what Carolina did is a mystery, because here she has every opportunity to express herself, provided that it is within a framework of respect. This is why what she did perplexes me."

[Quijada] Representatives of the right have indicated that this school and the Amunategui School ought to be investigated, because they seem to be Lautaro strongholds. What reply do you have to these charges?

[Aceituno] This is not a bolt and screw factory. It's a school with people, more than that, people growing up, children, teenagers. So, to gratuitously level charges...I can't give one-hundred percent assurance that she is the only case among your students...But I think that she's the only case. [end of answer]

He says that Carolina's home environment is very unusual and, at the same time, very conducive to her having been recruited by the Lautaro Movement.

"The school has some control over students, but the rest of the time the parents are the ones who are supposed to look after their children."

[Quijada] Inspectors from the Education Ministry came right after the announcement of an investigation by Senator Eugenio Cantuarias. What did they expect to find?

[Aceituno] This is more folklore, as I call it. The fact is that all secondary schools in Chile are under the control and supervision of the Education Ministry; so ours is too. And they came as they have on other occasions. This is the fourth visit; they're regular visits. They come to look at the programs, to see if classes are taught...If people want to come and see for themselves, the school is open to anyone who wants to. The media are speculating here. [end of answer]

He says that the problem goes beyond whether Carolina is competent to stand trial or the presence of greater or lesser numbers of Lautaros in a school:

"The problem is much broader. What is going on with 14- and 15-year olds who kick down the gate to a stadium. These phenomena have to be looked into, because something has happened. But it has to be done through education. Kids have to be shown the way. I

don't think that teenagers are sick. They're in a dead end. They're sort of social kamikazes," he reflects.

Young people are worried too. They are already organizing to give talks at schools to counter the lure of these terrorist groups. Rodrigo Pizarro, the coordinator of the Federation of Secondary School Students (FESES), says that one way to defeat the MJL is "to submit proposals for getting young people involved." He says that the attraction of the MJL to youth is that "its proposals are attractive to disadvantaged segments, giving them a chance to channel their idealism." It is also easy for the movement to reach young people because they can talk to them readily about issues that are still considered taboo. "These groups will die as soon as young people can get truly involved," he says.

Democratization of Education

This past week, youths met with the acting education minister, Raul Allard, and told him of the need to "democratize" educational curricula in the country's secondary schools. This week they will submit a program of activities that they will be carrying out in schools and low-income districts to enable young people to become more involved. They will also submit redesigned school curricula. The aim of these curricula is to have teachers address taboo subjects and to get the students more involved.

"The point is to draft curricula that will help young people who have been on the outside to join in again. Let there be discussions of politics, but without ignoring the fundamental pillars of a society, such as respect for the family. Nevertheless, there has to be democratization of the social classes in schools. There has to be real involvement of youth."

Jose Antonio Sabat, the chairman of the National Commission for Children's Rights (Codeju), indicates that the debate on the MJL "has been dominated by certain tendencies. Fringe groups from the previous regime and youths who have returned are being used." He says that the debate has to be conducted "high-mindedly. The real causes of violence must be discussed. When the real world of youths is discussed on television, let them take part. It's not enough for others to talk."

PPD [Party for Democracy] Senator Laura Soto had a chance to meet with young people this week. She feels that it is "very immoral to use young people for violence, for terrorist acts. Now matter what the end, I think that youths are being used."

"But I also believe something else that is very important. The whole society also has to give youth some way out. And in this society we have to acknowledge that young people are the most left out."

The senator from the Fifth Region feels that society must become involved in the matter quickly. One way is to adapt school curricula "so that values are reborn, because I think that we're part of a society that is sort of becoming unhinged and in which moral values are not taken into account. And this is the seed that yields these alarming fruits."

In connection with this touchy issue of extremism that clearly makes use of youths and minors who seem to be leading normal lives, the citizenry has seen that one segment of society is sick. They seduce young people by telling them that they can accomplish everything without effort, although they do not explain the risks to them.

Laura Soto adds: "This is dazzling people, using them. Because after they get arrested, the people who are responsible never show up. They abandon them."

In response to the charges by National Renewal and UDI, Education Minister Ricardo Lagos said:

"The opposition parties that are taking this line seem extremely unfair to me, because for the last 17 years we've had an altogether totalitarian, dictatorial regime in which young people were not taken into account and in which young people felt that this was an unjust society. It so happens that these people who thought they were taking action against a certain regime, using violent methods, have perhaps gotten this stuck in their heads, and this has caused them to become unhinged. Because I have no doubt that the people who are employing violence have to be suffering from mental disturbances."

The remaining question mark is the size of the Lautaro Movement's top echelon. The thinking is that it probably numbers no more than 80 nationwide. On Friday, Carabineros turned over to the courts three juvenile delinquents who took part in looting by the Lautaros. Whereas there was talk of 5,000 Lautaros at the beginning of the week, today the thinking is that only 100 or so are permanent. For the time being at least they will not destabilize this nascent democracy.

*** Member Provides Insights**

91SM0018B Santiago ANALISIS in Spanish 24-30 Sep 90 pp 14-18

[Interview with Felipe, a mid-level Lautaro Youth Movement [MJL] cadre; and Pedro (affiliation not made clear) by correspondent Gladys Diaz; place and date not given.]

[Excerpt] That Friday night, amid the crowd visiting Enart at Mapocho Station, an undetermined number of young people were moving around like gnomes, telling acquaintances whom they ran into: "Caro got caught. Go into hiding, because she's going to talk!" "Why are you so sure she's going to talk," asked a girl who had nothing to do with the Lautaros but was with another who did. "Because before getting arrested she didn't shoot at the cops. She's broken, so she's going to talk," came the urgent reply. The visitors to the multifaceted art exhibition did not realize what was going on, but rebellious students were finding out what had happened that afternoon when the Formulario Nacional Pharmacy at 4861 Gran Avenida was the target of a tragicomic holdup.

Tragic because two teenagers were arrested and could have been shot by detectives, and comic because their meager haul was 30,000 pesos and two boxes of condoms, which moreover got lost during their escape.

They were making a direct connection between the way Carolina might behave during an interrogation and her decision not to pull the trigger on a weapon that the investigation showed she did not even have with her during the holdup.

What was 17-year old Carolina, a 4th-year student at the Latin American School, a college preparatory institution, and a teacher of private piano classes, doing in this holdup? This was the first question that her relatives and many "guys" whom she met while in exile asked themselves. This beautiful, shy girl with blond hair and blue eyes, who once went to Mar del Plata to see the Soda Stereo, had grown up and joined the Lautaro Youth Movement. The press covered the incident broadly and abusively. The issue was discussed in schools and over dinner tables. As this issue went to press, a group of psychologists was deciding whether Carolina was competent to stand trial as an adult. Above and beyond their ruling, however, the controversy will continue for quite some time. In this article ANALISIS will try to add some details to this complex issue.

There Will Come a Day

ANALISIS entered the labyrinth of the student rebellion and invited "Felipe," a mid-level Lautaro cadre, to talk with us. He is a year older than Carolina and possesses the passionate ardor of an idealist. He speaks of his organization as a large movement that is sweeping through Feses, growing in the shantytowns, and spreading all over the country.

[Diaz] Do you think that the conditions are really in place in Chile for the war of insurrection that you're announcing?

[Felipe] Because we are going by the period from 1982 to 1986, when the most revolutionary people took to the streets and wobbled the regime. The mistaken leadership of the left led the people towards a peaceful option. And now we can see that over the past seven months the government has done nothing to meet the people's basic needs.

[Diaz] Aren't you afraid that you're misreading the situation, that it will all end in a "Tablada" like in Argentina?

[Felipe] Argentina is much different from Chile. We aren't going to call off our struggle just because some think that we're terrorists or useful to the right. There will come a time when social tensions are so great because of the people's lack of money that everyone will take to the streets. The struggle that was waged here during the dictatorship and during Popular Unity has no parallel in other countries. Just recently, on 11 September, there were barricades in several shantytowns. On the one side we have masses that have been trained in tough combat and that although they may have high hopes today about democracy will be frustrated once again. So, although they may think that we're being used, the people are starting to see Lautaro as a different alternative.

[Diaz] Why are you killing Carabineros? Is this a revolutionary approach?

[Felipe] The cops aren't our enemies. We'd like not to have to do it, because that guy on the corner might not be an agent of repression. But the point is to kick "repression" out of a territory. This action has a revolutionary impact; it makes the people stop seeing men in uniform as indestructible.

[Diaz] Why did you prepare Molotov cocktails for President Allende's funeral? Who could benefit from such actions?

[Felipe] Those bombs were not prepared for an all-out attack. It was in case the masses were in that kind of mood. We were in all of the marches that converged at the funeral, but there was a lot of repression. It would have been insane to take to the streets, first of all because no one would have backed us and, second, we would have all gotten arrested. So we just spray-painted the walls and the cemetery.

[Diaz] So today you see politics as war?

[Felipe] Exactly. The dictatorship declared war on the people in 1973, and we've decided to come out and fight this war.

[Diaz] So nothing has happened since 11 March?

[Felipe] It would be lying to say that there's no difference, but the basics remain the same.

[Diaz] Haven't you wondered why the revolutionary leaders of other organizations were killed by the dictatorship or imprisoned for years, whereas not a single Lautaro is missing or has been murdered?

[Felipe] I don't know what you're talking about. Besides, we have several people still in jail.

[Diaz] Why did you criticize Carolina for not firing?

[Felipe] I'm not familiar with the situation; I don't even know whether she was armed. But if you take part in an operation and are carrying a "piece," you have a safe-conduct pass and have to use it. Of course, if you're surrounded, it's crazy to start shooting.

[Diaz] What appeal are you making to young people?

[Felipe] We're inviting them to turn happiness, living happily here and now, into politics. We Lautaros don't have that half-warrior, half-Spartan outlook. Like saying: "Damn it, I'm going to sacrifice myself to make revolution. I don't have a wife or children; I'm suffering, I've got nothing." We're the opposite. We say: Happiness and struggle. We

also demand "our sex," which people confuse with "free sex," which has nothing to do with it. What we're talking about is the right to be happy, all the way.

[Diaz] What are you distributing at schools and in shantytowns?

[Felipe] "The bazaar of your wishes," containing basic items. At schools, condoms, books, cassettes, underpants, bras. In the shantytowns, meat, chicken, and other things.

[Diaz] The videotape recorders that your people "recovered" in Michaely reportedly never got to the shantytowns.

[Felipe] We kept them for our own use, for our conferences. We sell others to pay our expenses. We don't always hand things out.

Lautaro Is Born

He looks tired, as do all those who devote half of their lives to the grand undertaking of building a better world. He was a national leader of MAPU [United Popular Action Movement] at the time that the MJL was founded. Conversing with ANALISIS, he harks back to 1981, when factions of the green and red party felt frustrated because "nothing is happening." They proposed radicalizing the party because there had to be a way to respond to the success of the economic model of concentration and after the economic crisis of 1982 and 1983. The MAPU leadership decided to use the image of Lautaro, the man who organized the defense of the Mapuches against the invading enemy. Lautaro was a youth leader. The secretary general, who was in exile, returned to Chile clandestinely and spoke with young people. They told him that they were moving around in the shantytowns like fish in water, organizing various actions "Vietnamese style." They were from 15 to 20 years old, and their parents helped them out, convinced that "we can't do anything anymore, and our kids are the ones who have to finish the work that our generation began." This widespread situation in the poor areas of the capital and the provinces convinced the MAPU leadership that it had to create a space inside Chile around which youth sectors could gather within the Lautaro Movement. In mid-1982 the Central Committee became polarized between those who thought that a consensus answer had to be found and those who wanted to radicalize the confrontation.

The Keyhole

"Already back then young people were in favor of a radical solution," says Pedro, the person we interviewed. "The kids see what's really going on in the country by the mood in their neighborhood or shantytown. If La Granja is radicalized, the thinking is that the situation is at the breaking point, and therefore a policy in tune with this has to be developed. There's an inside leadership that draws on this sort of information."

The break was almost a fact by December 1983. The Central Committee held a plenary session, and the reformists won. Later, however, another plenum was held, and the more radical voices were no longer in attendance. They sent a two-man delegation to the party congress, which was already in progress, to say that it was not democratic and was being manipulated. They offered a proposal, which was not accepted, and then withdrew to merge altogether with MAPU-Lautaro. The break became official.

The Two Positions

It is interesting today to look at the two positions that were discussed in the MAPU Central Committee back in those years. Pedro recalls that "what was put forth was the theory of power from the people, on the basis of grassroots education and the spread of ideas from the people themselves," rather than a reaffirmation of the struggle. Also, the revolutionary leap forward would be taken when conditions had ripened and when the people became aware. Others said that this was a very long-range strategy. The explanation was that there was no alternative. While some contended that this argument would postpone socialism for another 100 years, others wondered whether socialism was viable in Chile. Eighty percent of the leadership took a more conciliatory stand, working for the very long range. The remaining 20 percent took the more radical position, and at the time they represented perhaps 50 percent of the party's rank and file. The radical factions organized Lautaro with the look that it still has now. Lautaro cells were formed without any links among them, the thinking being that this was going to be a very long and difficult struggle and that therefore each cell had to be completely separate; each had to have complete autonomy and carry on the struggle on its own and with very general guidelines.

[Diaz] On what objective conditions was this course of action based?

[Pedro] On the protests and barricades, as of 1983.

[Diaz] Don't you think that this was a flippant assessment?

[Pedro] Absolutely. Even inside the Lautaros there were two assessments. One was that the protests were being taken over by the Christian Democrats to pave the way for a bourgeois victory, while others thought that we were on the verge of a socialist revolution. It was argued that the problem in Chile is that there have often been plans for a radical revolution but that one was never attempted, and now it has to be done, and with whatever is at hand. Following the example of Lautaro, which began with slingshots....[passage omitted]

Colombia

Gaviria Rejects Talks With Drug Traffickers

PA0211192990 Bogota Radio Cadena Nacional in Spanish 1200 GMT 1 Nov 90

[Text] After demanding the immediate release of the kidnapped journalists, President Cesar Gaviria Trujillo rejected any kind of dialogue with drug traffickers. The president insisted on the strengthening of justice as a means of fighting organized crime and reiterated: We are not seeking a dialogue that is impossible to hold. Instead, the law will be strictly applied to those who have committed crimes. He added that, in any case, the people who avail themselves of the law will have the corresponding procedural guarantees, and their human rights will be strictly respected.

President Gaviria stated this during the commemoration of the 37th anniversary of the Administrative Department of Security, DAS. During the ceremony, DAS Director General Miguel Alfredo Maza Marquez asked the international community to vigorously fight narcoterrorist actions.

Meanwhile, in Medellin, former Medellin Mayor Juan Gomez Martinez and Antioquia lawyer Guido Parra Montoya have asked the Commission of Notables to establish the necessary mechanisms that will lead to definitive results so that The Extraditables will release the seven journalists kidnapped two months ago.

After a meeting, Parra Montoya and Gomez Martinez decided to send separate letters to former Presidents Alfonso Lopez Michelsen and Misael Pastrana Borrero, Cardinal Mario Revollo Bravo, and leftist leader Diego Montana Cuellar, who are members of the Commission of Notables, to speed up the process for the release of the kidnapped journalists.

In his letter, the former mayor of Medellin reiterated he is willing to undertake efforts that will lead to the release of the journalists who have been unjustly kidnapped.

Traffickers Reportedly Seek Pardon

PA0211222390 Hamburg DPA in Spanish 1850 GMT 2 Nov 90

[Excerpts] Bogota, 2 Nov (DPA)—The Colombian drug traffickers could surrender and end their criminal activities if the government of President Cesar Gaviria Trujillo views the public order problems caused by narcoterrorism in a political light. This is deduced from a letter released today by lawyer Guido Parra, who has become a spokesman for the drug traffickers.

The letter was sent by the lawyer to the so-called Group of Notables, comprised of former Presidents Misael Pastrana and Alfonso Lopez, Cardinal Mario Revollo, and leftist leader Diego Montana. Guido Parra had previously asked the group to intercede with the president to find a peaceful solution to the conflict between the government and the drug traffickers. [passage omitted]

According to Parra, the objective of his mediation between the mafia and the "notables" is to "definitely eradicate the problems that disrupt public peace."

In his new letter, the lawyer proposed three points that could eventually clear the path for the drug traffickers, who are responsible for the bloodiest terrorist attacks in the country's history, to make good on the offer they made in January to surrender.

On that occasion, "The Extraditables," the armed wing of the drug traffickers, issued a surprising message admitting their defeat vis-a-vis the government, although a "pardon" was demanded for them to return to legal activities. This offer was rejected by the government of President Barco Vargas.

Parra's first point underscores the advantages of restudying the Supreme Court's decision regarding the inapplicability of extraditing drug traffickers through the Executive Branch.

That measure, considered a Barco Vargas declaration of "war" on the mafia on 18 August 1989, authorized extradition without the courts' prior approval, leaving the decision to the Executive Branch.

Nevertheless, the Supreme Court stated in a subsequent ruling that the measure, decreed during the state of siege that has been in effect in the country for the past six years, would not be applicable in countries with which there had been previous international extradition treaties, like the one signed between Colombia and the United States.

A second point refers to the possibility of giving the mafiosi equal or similar treatment to that given to guerrillas, who in 1957 received the benefit of an amnesty granted by the de facto government of Army General Gustavo Rojas Pinilla.

Rojas Pinilla, who took office after constitutionally elected President Laureano Gomez Castro was toppled, decided that year to grant amnesty to the guerrillas to restore calm to the country, before a plebiscite in which the Colombians authorized the traditional liberal and conservative parties to alternate power for 16 years (between 1958 and 1974).

Parra compares the situation at that time with the current situation because Colombia, which is undergoing a critical violent stage, is preparing to summon a national constituent assembly in elections scheduled for 9 December. This constituent assembly will be free to reform any point in the Constitution.

Over the past few months "The Extraditables" have been demanding an amnesty or pardon in their messages, a benefit rejected by the governments of both Barco

Vargas and Gaviria Trujillo, which have established differences between the political crimes perpetrated by the left-wing guerrillas and the drug mafia's activities.

Upon explaining the third point of his letter, Parra pointed out that once the aforementioned aspects have been studied, the surrender process would develop in a positive manner, as long as the government enforces international humanitarian law; in this regard he is requesting UN guidance. [passage omitted]

Parra's mediation efforts are also intended to achieve the release of reporters, who have been threatened with death if the authorities carry out any action against relatives of "The Extraditables."

Former Medellin Mayor Juan Gomez Martinez, who has been in favor of a dialogue between the Executive Branch and the mafia leaders, has been designated the reporters' spokesman by their relatives, in case talks are held with the kidnappers. [passage omitted]

Guerrilla Board on Dialogue With Government

PA0311183390 Bogota EL TIEMPO in Spanish 22 Oct 90 p 8A

[Statement issued by the Simon Bolivar Guerrilla Coordinating Board, CGSB, and an "Exploratory Commission" in La Uribe, Meta Department on 21 October]

[Text] Alvaro Leyva, Roberto Posada, Saulo Arboleda, Juan Gabriel Uribe, Carlos Alonso Lucio, Jose Noe Rios, and Msgr. Enrique Sarmiento, as members of an exploratory commission acting with the consent of the Colombian Government, met in the jurisdiction of La Uribe, in the mountains of Meta Department, with Commanders Manuel Marulanda, Alfonso Cano, Timoleon Jimenez, and Adan Izquierdo of the FARC [Revolutionary Armed Forces of Colombia]; Pablo Tejada of the UC-ELN [Camilist Union-Army of National Liberation]; and Francisco Carballo of the EPL [Popular Liberation Army], all of them representatives of the CGSB. The meeting was held to exchange opinions on the possibility of finding a negotiated solution to the conflict.

The participants in the meeting discussed topics dealing with the National Constituent Assembly, its scope, content, and membership, as well as the importance of having the entire nation represented in it.

They thoroughly examined the topics that should be addressed to guarantee a process that will involve the CGSB in the peace process and that will find definite solutions for national reconciliation.

Topics such as mechanisms to end all forms of hostility, respect for human rights, and international observer commissions must be discussed to overcome the problems in the peace process.

The following conclusions were reached:

1. The CGSB clearly expressed its willingness to achieve progress in a process to politically solve the armed conflict.

2. The CGSB believes that since the National Constituent Assembly is a democratic forum where the nation's fundamental problems will be debated, the result should be a constitution that represents a real agreement for stable and lasting peace among Colombians, in keeping with the desire and spirit of the latest ruling of the Supreme Court of Justice.

3. In such circumstances, the CGSB believes that it is essential to participate in the National Constituent Assembly through its leaders and delegates.

4. To achieve these objectives, the president should officially appoint a commission which, along with another commission from the CGSB, will carry out the peace process.

5. It is understood that to attain its objectives, the negotiating commission has no prohibited topics and that any topics that either side considers relevant can be brought to the talks.

Therefore, the exploratory commission believes that conditions exist for the national government to form a commission to undertake a direct dialogue with the CGSB.

La Uribe, Meta, 21 October 1990.

Exploratory commission: Alvaro Leyva, Saulo Arboleda, Juan Gabriel Uribe, Msgr. Enrique Sarmiento, Roberto Posada, Carlos Alonso Lucio, and Jose Noe Rios.

This statement is supported by: Manuel Marulanda, Alfonso Cano, Adan Izquierdo, and Timoleon Jimenez of FARC; Pablo Tejada of UC- ELN; and Francisco Caraballo of the EPL. CGSB.

Discloses Delegates to Assembly

PA0311034690 Bogota EL TIEMPO in Spanish 23 Oct 90 p 6A

[Text] The Simon Bolivar National Guerrilla Coordinating Board (CNGSB) yesterday released the list of delegates to represent them at the Constituent Assembly.

The list is as follows:

Manuel Marulanda Velez, Manuel Perez Martinez, Francisco Caraballo, Alfonso Cano, Nicolas Rodriguez Bautista, Javier Robles, Raul Reyes, Pablo Tejada, Evelio Ramirez, Timoleon Jimenez, Milton Hernandez, Alejandro Guerrero, Ivan Marquez, Ramon Quintero, Adan Izquierdo, Jose Alberto Rivas, Simon Trinidad, Carlos Arturo Soler, Pablo Catatumbo, Juan Carlos Gonzalez

Paraguay

Brazilian Minister Calls for Negotiated Peace

PY0211123890 Asuncion ABC COLOR in Spanish 2 Nov 90 p 11

[Text] Brazilian Foreign Minister Francisco Rezek has warned that a war in the Persian Gulf could have serious repercussions for humanity, and he urged the allied powers blockading Iraq to seek a peaceful solution to the conflict.

He acknowledged that the Gulf crisis is having an impact on Brazil's economy, but that his country still believes there can be a negotiated outcome.

He stated that there could be a war in the Gulf "without a visible conclusion, and it would involve violence of an unbelieveable scope and brutality."

He said that although it is possible the allied forces will overcome Saddam Husayn's forces in a few days, "the delayed effect on world peace must be taken into consideration."

"I am referring to the resentment that will emerge, which could lead to various forms of terrorism and other things. This is not the time to think about military solutions. We have the firm hope that a negotiated outcome can be achieved," he reiterated.

Foreign Ministers Evaluate Talks

PY0211165390 Asuncion PATRIA in Spanish 2 Nov 90 p 5

[Text] On 1 November Brazilian Foreign Minister Francisco Rezek, who made a two-day official visit to our country at the invitation of his Paraguayan colleague, Alexis Frutos Vaesken, carried out a series of activities. His main activity was a meeting with President General Andres Rodriguez, with whom he discussed important aspects of the ever-improving relations between Paraguay and Brazil.

In the afternoon the visitor, together with his Paraguayan counterpart and the Brazilian ambassador to Paraguay, gave a news conference at the Foreign Ministry.

A press communique indicates that during their meetings the two foreign ministers reviewed regional and subregional matters as well as bilateral affairs. Frutos Vaesken expressed the Paraguayan Government's satisfaction over Brazil's support for having our country participate in the integration process through the tripartite common market, for which the negotiations are progressing well. Frutos Vaesken also thanked his Brazilian colleague for Brazil's good offices in bringing about Paraguay's membership in the Political Consultation and Negotiation Group (Rio Group), which the presidents approved in October in Caracas, Venezuela.

Regarding the Initiative for the Americas launched by U.S. President George Bush, the two foreign ministers reaffirmed the importance of the joint Argentine, Brazilian, Paraguayan, and Uruguayan negotiations with the United States with the objective of formulating a trade agreement.

Within the framework of the River Plate Basin Accord, the two foreign ministers made a detailed evaluation of the progress on the Paraguay-Parana River waterway, and they reaffirmed that the two governments are giving this project top priority.

Regarding bilateral affairs, they were informed of the good progress of the Itaipu hydroelectric project and the fact that it will be concluded very soon. They also emphasized the excellent level of relations in the political, economic, trade, cultural, scientific, and technological spheres, and they agreed to continue to perfect them.

With respect to the adverse decision handed down by the Brazilian courts on the petition for the extradition of Colonel Gustavo Stroessner, Foreign Minister Rezek indicated that the Brazilian Supreme Court considered various legal aspects in reaching its decision. He recalled that Gustavo Stroessner was given political asylum before the extradition request was received. He also stated that both Gustavo Stroessner and his father had been granted political asylum, and he emphasized that in Brazil it is not unusual for such a request to be denied, pointing out that there have been several such cases.

Asked for his opinion on the Persian Gulf conflict, Rezek indicated that a war could break out in that region that could have no foreseeable end. He added that such a war would doubtlessly affect our economies. Regarding Brazil, Rezek stated that "war could have a negative effect on oil imports because 50 percent of our imports come from Iraq and Kuwait." Moreover, he indicated that Iran would be a valid alternate supplier for Brazil, which needs 200,000 barrels of oil per day.

Rezek Departs After 24-Hour Visit

PY0311124290 Asuncion HOY in Spanish 3 Nov 90 p 19

[Excerpt] Brazilian Foreign Minister Jose Francisco Rezek returned to Brasilia on 2 November after a 24-hour stay in our capital. He was seen off at Silvio Pettirossi International Airport by Foreign Minister Alexis Frutos Vaesken. [passage omitted]

Venezuela Issues Invitation To Join Rio Group

PY0311154290 Asuncion ULTIMA HORA in Spanish 30 Oct 90 p 12

[Text] On the morning of 30 October Venezuelan Ambassador Jesus Elias Morrell gave President Andres Rodriguez a personal letter from Venezuelan President Carlos Andres Perez. In this letter, which the Venezuelan envoy hand-carried to Lopez Palace, the Venezuelan president invites the Paraguayan Government to join the "Group of Eight."

Morrell said: "In addition to conveying my personal greetings, I delivered to President Rodriguez a personal letter from President Carlos Andres Perez inviting Paraguay to join the Rio Group, which consists of nine countries. If Paraguay and possibly Bolivia join the group it will then be called the 'Group of 11.'"

Asked about the possibility that Paraguay may purchase Venezuelan oil, Morrell said: "The truth is that we have not discussed the subject because the report datelined Caracas quotes Paraguayan Ambassador Basilio Bogado Gondra. Yet the subject could be under study because OPEC has authorized Venezuela to increase its production beyond the current ceiling, which has thus far prevented us from increasing our exports."

Rodriguez Comments on Former Officials, Drugs

PY0411013590 Asuncion Cerro Cora Sistema Nacional de Television in Spanish 2250 GMT 3 Nov 90

[Report on interview with President Andres Rodriguez by unidentified reporter in Asuncion "soon after the king and queen of Spain left Paraguay"]

[Excerpts] Integration is not only a commercial phenomenon but an historical vindication. President Andres Rodriguez made this statement to Spanish television, which interviewed him soon after the king and queen of Spain left Paraguay [on 24 October]. The interview was broadcast today on Spanish television's international channels, headquartered in Madrid.

[Begin recording] [Reporter] We are in Asuncion, Paraguay, transmitting through Spanish television's international channel to Europe and North and South America. We are with His Excellency the President of the Republic of Paraguay Andres Rodriguez. [passage omitted]

After the coup through which you brought democracy to Paraguay, four ministers and three high-ranking officials from General Stroessner's regime were arrested. They are still under arrest but have yet not been put on trial. Will they be tried? If they are sentenced, what will you do about it? Are you considering pardons for them?

[Rodriguez] I will respect whatever decision justice makes. If sentenced, they will have to serve their time. [end recording]

President Rodriguez reiterated his administration's firm decision to fight drug trafficking to the Spanish journalist. The president described the drug trafficking business as the scourge of humanity in his recent interview with Spanish television in Asuncion, which was held with the participation of a technical team from Sistema Nacional de Television.

[Begin recording] [Reporter] There is a subject that worries the whole world but is especially centered in Latin America, particularly in South America—drugs. There is another subject with which Paraguay is frequently associated, which is smuggling. What is the situation in your country in terms of those two subjects?

[Rodriguez] My country has become associated with drug trafficking because of its geographic position, just as developed countries are connected with drug consumption because of their economic power. A few days ago, one of the largest cocaine shipments ever seized in Paraguay was picked up by Dinar [National Narcotics Directorate]. My government is willing to combat this scourge of humanity with all its energy; however, we do not have the necessary technical and economic resources to do so. It is very important for countries with greater financial capacities to help us to meet our objectives in this respect. [passage omitted] [end recording]

President To Attend Akihito's Coronation

PY0311002790 Asuncion ULTIMA HORA in Spanish 2 Nov 90 p 12

[Text] On 11 and 12 November, Paraguayan President Andres Rodriguez will meet with his Latin American counterparts and U.S. Vice President Dan Quayle in Tokyo. This meeting will serve to analyze the economic assistance that Latin American nations are receiving from the Japanese Government and aspects of Latin American relations with the United States and other developed nations.

According to information released by Government House, the meeting between the Paraguayan president and his Latin American colleagues has not been fully confirmed, but the U.S. State Department would like this meeting to take place, taking advantage of the gathering of Latin American presidents for the coronation of Japanese Emperor Akihito.

President Rodriguez will travel to Japan on 8 November to participate in this ceremony. The chief executive will travel with his wife Nelida Reig de Rodriguez, Foreign Minister Alexis Frutos Vaesken and wife, Presidential Secretary General Raul Sapena Brugada and wife, and State Protocol Deputy Director Hernando Arteta.

Foreign Minister Vaesken has announced that the main objective of President Rodriguez' trip is to attend the coronation of Emperor Akihito, although the president may also meet with Japanese businessmen, representatives of the Japanese-Paraguayan Association, and representatives of Japanese financial sectors.

The meeting between Latin American presidents and U.S. Vice President Dan Quayle will also be attended by Argentine President Carlos Saul Menem, Bolivian President Jaime Paz Zamora, Brazilian President Fernando Collor de Mello, Costa Rican President Rafael Angel Calderon, Salvadoran President Alfredo Cristiani, Honduran President Rafael Leonardo Callejas, Nicaraguan President Violeta Chamorro, Panamanian President Guillermo Endara, and Uruguayan President Luis Alberto Lacalle Herrera.

Argana Says Colorado Members Being Pressured

PY0311163090 Asuncion ABC COLOR in Spanish 31 Oct 90 p 2

[Text] Colorado Party President Luis Maria Argana yesterday accused Interior Under Secretary Sebastian Gonzalez Insfran of pressuring Colorado grass-roots leaders on behalf of [Education Minister] Angel Roberto Seifart's candidacy in the internal party elections. Argana added that the Colorado grass-roots leaders are also being pressured by the Education Ministry.

He warned that the party is returning to the times of [former] Colorado leaders "Manuel Modesto Esquivel and Mario Abdo Benitez" when party business was conducted from the ministries.

The former foreign minister clarified the statements he made in Caaguazu when he said that no more pressure of the kind of "the president's man" would be allowed within the party. "I was really referring to pressures similar to those made through the Interior Ministry in the times of Montanaro and Esquivel. The government delegates and the Interior Under Secretary Tito Gonzalez Insfran himself are pressuring the Colorado Party precinct presidents and mayors on behalf of Seifart," Argana said.

"Such denouncements have already been made. That is what I meant. If we really want, we should return to the autonomy of the party. We cannot allow the poor party grass-roots leaders to again face the alternative of either losing their posts or accepting the humiliation of voting against their conscience," Argana added.

The former foreign minister said that that is why complaints and protests were raised at the Caaguazu rally. "That is why we referred to the times of Esquivel. Apparently, some friends of Esquivel got annoyed when we spoke of him during the rally. Therefore, if the shoe fits, wear it," Argana said ironically.

When asked if he reasserted his charges that "hands from above" are trying to manipulate the party leadership, Argana said: "That is absolutely clear and needs no further explanations."

Argana was asked whether through his charges he is ruling out any possible understanding with Seifart. He said: "If Seifart stops using the methods of Mario Abdo and Esquivel, understanding will be possible."

When referring to the meeting that is being organized by the interior Colorado Party precincts in the town of Eusebio Ayala to nominate a traditionalist faction candidate, Argana said that such a meeting would be illegal and against the party's statutes. "It would represent fraud perpetrated against the people's wishes because it would mean returning to the system of huddles and pressures. They are trying to obtain a majority of votes through pressure from the Interior or Education Ministries on a small group of grass-roots leaders, thus not reflecting the people's will but that of some temporary leaders."

Finally, when asked about Juan Ramon Chavez' support for his own candidacy, Argana said: "It is a pleasure and an honor that the leader of the traditionalist faction should consider that I am capable of leading the Colorado Party toward its destiny."

Executive Branch Reports on Foreign Debt

PY0311164490 Asuncion ABC COLOR in Spanish 26 Oct 90 p 9

[Text] Paraguay owes $1,619,600,000 to multilateral organizations, the Paris Club, and commercial banks. This is stated in a report which Congress requested from the Executive Branch.

The document, which this newspaper has been able to read, is dated 16 October, and it is signed by President Andres Rodriguez and Finance Minister Enzo Debernardi. The document explains that on 29 September Paraguay canceled its $169.4-million debt with Brazil.

Senator Fernando Vera had suggested that Congress request the report from executive branch.

Congress asked the executive branch for details of the external public debt, the policies for negotiation, and its fiscal consequences.

From the report it can be understood that Paraguay has an overdue debt of $355.7 million on the date the document was presented.

According to the document, Paraguay owes $638.8 million to multilateral organizations (Fonplata [River Plate Basin Development Fund], OPEC, BIAPE [Inter-American Savings and Loan Bank], IDB [Inter-American Development Bank], IBRD [World Bank], and IFAD [International Fund for Agricultural Development]).

Paraguay currently owes the Paris Club, its largest creditor, $260.4 million.

To honor the Paraguayan foreign debt, the executive branch recommends in its report the rescheduling of the annual debt servicing (amortization and interest).

Economy area officials stressed that the current commitments are high in relation with Paraguay's capacity to pay in the current fiscal year.

They stressed that the multilateral organizations do not approve a renegotiation because soft loans are involved.

The following aspects of the debt with the Paris Club were discussed:

1) The mortgage debt in arrears and the overdue interest payments by 31 December; 2) amortization payments

for 1991; and 3) "a possible attempt to renegotiate 100 percent of the 1991 interest payments, following already established norms and past experiences regarding grace periods, interests, and long repayment terms."

The document states that the debt to the commercial banks "may be bought at discounts established by the secondary market [no closing quotation marks published].

The document also states that the INC [National Cement Industry] debt is not subject to a renegotiation with France, although the fraudulent granting of the loan by France, "the responsibility for which must be clarified," could be discussed.

General Urges Development of Democratic Mentality

PY0311171890 Asuncion ABC COLOR in Spanish 1 Nov 90 p 2

[Text] Speaking in the presence of the commander in chief of the Armed Forces, Army General Andres Rodriguez, Communications Corps Commander Luis Valiente Flor said 31 October: "We must conduct this transition together and with responsibility, tolerance, and sincere objectives." Gen. Rodriguez visited the Communications Corps facilities to dedicate several projects. He was accompanied by his wife, Mrs. Nelida Reig de Rodriguez. Also present were high-level military officials and special guests.

Valiente Flor stated in his speech that the men in arms hope for a modern and democratic Paraguay, "but first of all we must understand this concept very well," he explained. He said that the word modern is a synonym for or expression of something new, something achieved for the first time or different from that of the past, and democratic means government of the people or of the majority. Therefore, the first change must be that of mentality, which will then be expressed in positive material projects," he said.

"As stated time and again, the path is long and difficult, but pleasant to walk, because we must first feel that doctrine within ourselves, and if we feel it, then we must share it with our fellow citizens," Valiente Flor stated.

He added: "It is fair to state that the best defense, the best ally Gen. Rodriguez' government can count on to fulfill his task, his promise, is the fervent desire of all Paraguayan people to achieve this condition, because no one wants to lose what we are experiencing or the prospects for the future that we hold."

"It is also appropriate to say that we are concerned, and for this reason we are meditating on this subject, hoping that the great decision taken by the commander in chief of the Armed Forces on 2 and 3 February will not be sterile or in vain. Moreover, we hope, because it is essential, that the other members of the national government will understand, share, and assume their great responsibilities in this challenge, because we must all make this transition together, with responsibility, tolerance, and sincere objectives," he said.

The projects dedicated include an electric stove with two 200-liter pressure cookers; an electric laundry; a gymnasium with sauna; five 20W transceivers purchased by the unit; and six transceivers assembled in the unit's shop.

In conclusion, 50 mattresses were donated to the "Las Residentas" Foundation. This contribution ws received by Mrs. Nelida Reig de Rodriguez, chairwoman of that foundation.

Colorado Deputy Sends Letter to Soviet Colleague

PY0311194490 Asuncion ABC COLOR in Spanish 1 Nov 90 p 4

[Soviet names and titles as published]

[Text] Colorado Party Deputy Carlos Galeano Perrone has reported that he will send a letter to Russian Congress Vice President Alexandr Yeliseyev, whom he met recently at the 84th Interparliamentary Union Congress held from 15 to 20 October in Uruguay. The stated purpose of the letter is "to seek contacts at the legislative level between the Soviet Union and Paraguay as the first step toward diplomatic and commercial relations between the two countries."

The letter also says that "the contact that Paraguayan congressmen established with you and Mr. Vitaly Yevseyev has been welcomed in my country. As proof, I am enclosing an issue of our country's most important newspaper, ABC COLOR, in which our meeting in Punta del Este is reported."

A delegation of Paraguayan congressmen attended the Interparliamentary Union congress and met with several Russian colleagues on that occasion.

Senate Approves New Attorney General

PY0311124090 Asuncion PATRIA in Spanish 3 Nov 90 p 1

[Text] During its 2 November ordinary session, the Senate approved the naming of Luis Escobar Faella as attorney general. The former judge and current president of the Association of Judges was proposed by the executive branch, and he replaces Diogenes Martinez.

Parana Police Official Visits Paraguay for Talks

PY0311150890 Brasilia Domestic Service in Portuguese 2100 GMT 30 Oct 90

[Report from Curitiba by (Lucia Nory)]

[Text] (Jose Moacir Favete), Parana State public security secretary, is in Paraguay at the invitation of President Andres Rodriguez. He is accompanied by Military Police Commander [name indistinct].

On 30 October (Favete) met with Paraguayan authorities to discuss adopting important measures concerning public security between Paraguay and Parana State. Tomorrow he will meet with President Rodriguez. Today he addressed the Paraguayan police on matters related to terrorism and security in the area of the Itaipu dam, on the border between Brazil and Paraguay, which is used as a route for stolen cars and drug trafficking.

(Favete) has proposed joint cooperation to fight terrorism and kidnapping as well as the need to speed up the mechanisms for extraditing criminals. He also suggested information exchanges.

Peru

U.S. Consulate in Lima Hit With Projectile

PA0511034990 Madrid EFE in Spanish 0300 GMT 5 Nov 90

[Text] Lima, 4 Nov (EFE)—A projectile fired against the U.S. Consulate in Miraflores District in Lima today, hit a side wall and damaged the facade of the building but caused no injuries, witnesses said.

The attack was perpetrated by unidentified individuals who tonight fired a projectile—presumably an "Instalaza" rocket—from a moving vehicle. Personnel of the antiterrorist and bomb squad assigned to this case have, however, declined to give any details and have not confirmed the type of weapon used.

The sources said the blast shattered the windows of the three bottom floors of the building housing the U.S. Consulate as well as those of and adjoining building.

A member of the consulate internal security force confirmed the damage caused to the exterior of the building and noted that there was no damage inside the building.

Witnesses said the policemen who were guarding the building opened fire on the attackers who managed to escape in their vehicle.

This was the second attack on the U.S. Consulate, whose door was dynamited a few months ago.

No subversive group has claimed responsibility for the attack, but police sources noted that the pro-Guevara Tupac Amaru Revolutionary Group (MRTA) emerged in 1984 when its members machine-gunned the facade of the U.S. Embassy in Lima.

De Soto Presents Development Proposal to UN

PY0211224390 Madrid EFE in Spanish 0128 GMT 2 Nov 90

[Text] UN, 1 Nov (EFE)—Hernando de Soto, adviser to Peruvian President Alberto Fujimori, spoke today in the UN headquarters. He said that more than 1 million Peruvians totally depend on coca production to survive. The coca produced in Peru represents 60 percent of the world's total.

De Soto made this remark during his presentation in the United Nations of Fujimori's initiative on development and coca. He added that the Peruvian president's proposal would not only eradicate the illegal coca production, it would meet the needs of the 200,000 families that depend on the illegal coca production.

De Soto stressed that the lack of land ownership registration hinders the Peruvian Government's plans to encourage the diversification of crops, substituting illegal crops with the right quantities of legal products, thus ensuring that they remain economically viable.

During a news conference held after he had explained Fujimori's plan to the second committee [not further specified], De Soto pointed out to the journalists that in September the Peruvian president initiated a system of rural real estate registration that will issue simple and low cost deeds as part of a cooperation plan with agrarian organizations.

De Soto added that the government will generally recognize the ownership of land by those who farm it and will encourage the substitution of coca by other agricultural products, the production of which is currently limited by legal and bureaucratic restrictions and by the lack of storage, transportation, and access to markets "that are currently nonexistent in Peru."

De Soto, the president of the Liberty and Democracy Institute, emphasized that the second stage of Fujimori's plan involves deregulating the economy and dismantling the prevailing commercial system and the institutions that currently control the domestic and export markets.

Regarding President Fujimori's rejection of U.S. military aid to combat drug trafficking, De Soto said that he is not a government official and that he is not authorized to speak for the Peruvian president on anything but Fujimori's plan.

De Soto indicated, however, that Fujimori has expressed his willingness to reconsider his decision as long as the military aid is not included in his program of combating drug trafficking through aid for development.

De Soto added that during the visit he has just made to Washington, where he met with high-ranking officials of the U.S. Government, including William Bennett who is in charged with coordinating the struggle against drug trafficking, he found understanding and general approval for President Fujimori's plan.

De Soto pointed out: "Drug traffickers and terrorists do not appear by magic; they require appropriate conditions under which to operate." He emphasized that if those conditions are not radically changed, the military and police actions will not be enough to eradicate them and they will appear again.

Government Facing Discontent Over Economic Woes

PY0311001090 Madrid EFE in Spanish 0823 GMT 2 Nov 90

[Text] Lima, 2 Nov (EFE)—Nearing the completion of his first 100 days in office, Peruvian President Alberto Fujimori is facing underlying social discontent as a result of the economic adjustment he implemented on 8 August, an adjustment that has still not managed to curb the inflationary spiral.

The inflation rate totaled 525 percent on 8 August, and economic experts believe that price increases in basic products that have taken place over the past few weeks represent a "new outbreak" of inflation that they did not expect.

The same experts believe that this "new outbreak" will not jeopardize the economic adjustment program which, in general terms, is considered appropriate, although it has created a recession that has still not been overcome.

According to business circles, it is believed that there has been a decline in sales totaling 30 percent of the GDP, while production rates have decreased by two thirds.

Despite the loss of purchasing power that resulted from the adjustment, the government has announced that September's 13.8-percent inflation rate and October's 9.6-percent inflation rate do not justify a salary increase, which would prompt a further increase in the inflation rate.

The government has established a legal minimum wage of 25 million intis per month, equivalent to about $57.

The dollar exchange rate, currently 440,000 intis per dollar, is considered to be only half of what it should be, but, after the government decided to allow the North American currency to float, the dollar has been holding at this level for a month.

This discourages exports, which are considered necessary to attract foreign exchange. Meanwhile, the labor sector is restless, although opinion polls reflect approval for the performance of President Alberto Fujimori and Prime Minister Juan Carlos Hurtado Miller.

Senator Valentin Pacho, general secretary of the communist trade union organization, has indicated that a nationwide strike will be called if the government does not meet the workers' wage demands; however, a day of protest against the economic adjustment sponsored by that trade union organization and the American Popular Revolutionary Alliance (APRA) did not receive substantial support from the people, who cannot afford to miss a day of work.

One strike follows another because of wage demands, and almost every day groups of dismissed or unhappy workers take over state-run factories and offices and stage protests that are contained by the police.

The government is maintaining a state of emergency in Lima, where protests for better wages are taking place. Some 3,000 provincial construction workers have announced a "sacrificial march" in Lima to demand the resumption of work suspended because of a lack of funds.

The government had to extend the deadline for tax collection until 15 November because of a strike by workers at the Collection Directorate, and thousands of dossiers are piling up at the judicial branch because workers there have been on strike since 11 October.

State universities are also demanding funds, and the Assembly of Rectors [Asamblea de Rectores] has indicated that these schools will have to close their doors if they do not receive the necessary money.

Businessman Describes Coca Business in Huallaga

PY0411194490 Lima LA REPUBLICA in Spanish 29 Oct 90 p 12

["Exclusive" interview with an unidentified coca businessman; place and date not given]

[Text] [LA REPUBLICA] Are there any problems with coca production in this valley?

[Businessman] Right now sales have been reactivated. About six months ago the coca producers started to abandon their plantations, but the arrival of fresh money has reactivated sales.

[LA REPUBLICA] Why did sales drop?

[Businessman] There was no money. About nine months ago the price hit rock bottom. Before the crisis one kilogram of "impure" cocaine paste use to cost 4.2 million intis. The price then dropped to 2.2 million intis. The producers stopped harvesting their production because it was no longer worthwhile.

[LA REPUBLICA] How do you get the cocaine paste out of here?

[Businessman] By road up to the Huallaga River, and from there to Juanjui and Tocache airports in Alto Huallaga because airports are only now being built here. Had we had an airport nearby, the producers would not sell the cocaine paste impure but would produce cocaine base paste, which would give them a larger profit.

[LA REPUBLICA] Has the price gone up again?

[Businessman] It has recovered, and it seems it will continue to rise. Currently, one kilogram of "impure" paste costs $130 and the pure paste $390.

[LA REPUBLICA] Is the price higher than when it was at its peak level?

[Businessman] No, no, no.

[LA REPUBLICA] Do the peasants here get paid in dollars?

[Businessman] They do not get paid in dollars. All deals are made in intis. Sales are subject to set rules. If the dollar goes up, the price of cocaine paste drops. Prices are not adjusted to the fluctuation of the dollar exchange rate. [sentence as published]

[LA REPUBLICA] Are you organized?

[Businessman] No, we are in the process of getting organized. One has to teach the people first. Many of us, somehow or other, make a living on coca, right? I am a coca businessman.

[LA REPUBLICA] How long have there been coca plantations in the valley?

[Businessman] The coca plantations are more or less four years old. Despite its high cost, coca production is slow but steady.

[LA REPUBLICA] How many people are engaged in this activity?

[Businessman] To my knowledge, some 5,000 inhabitants of this Ponasa Valley fully devote themselves to planting coca leaves. But there are many more in other areas.

[LA REPUBLICA] Where do the coca farmers come from?

[Businessman] From the coast, from the highlands—mostly from the highlands.

[LA REPUBLICA] Where?

[Businessman] Ayabaca, Piura, Cajamarca, and even from Ayacucho, Arequipa, and Cusco.

[LA REPUBLICA] Do they come for a season?

[Businessman] No, they come to stay. They have already settled here.

[LA REPUBLICA] Are you planning to build an airport?

[Businessman] There already is an airport that is beginning to operate. There are prospects for another landing strip for greater tonnage.

[LA REPUBLICA] Is the airport in the same zone?

[Businessman] In the same zone.

[LA REPUBLICA] Then why are you taking the cocaine paste by road?

[Businessman] The airport is not operating now because of bad weather.

[LA REPUBLICA] Are cocaine paste buyers Peruvian or Colombian?

[Businessman] Peruvians. They only act as middlemen.

[LA REPUBLICA] Who takes the drugs abroad?

[Businessman] They are taken by "enterprises" that represent Colombians and Mexicans who provide the money.

[LA REPUBLICA] Do they come in the small planes?

[Businessman] The bosses send the aircraft; all the people involved in selling it in the country are Peruvians.

[LA REPUBLICA] Do you have to invest a lot to produce coca?

[Businessman] No, one does not need to invest much. First you must till the fields. For this you need eight or nine months of hard work. Once the coca is planted, you can harvest leaves every 90 days. You can make the first harvest six months after you have planted your coca. From then on you have a normal production every three months.

[LA REPUBLICA] How do the producers clear the fields?

[Businessman] They use machetes, spades, or hoes. They also use herbicides or defoliants.

[LA REPUBLICA] Which ones, for example?

[Businessman] Gramonex and nervox are very common.

[LA REPUBLICA] Have the Colombian cartels come to Peru?

[Businessman] The members of the cartels do not appear here, only their representatives bringing the money. The cartels finance the operations and ship the cocaine paste base.

[LA REPUBLICA] How many kilograms of cocaine paste base are produced in the valley?

[Businessman] As far as I know, 1.5 tons per harvest.

[LA REPUBLICA] Do the coca producers themselves process the cocaine paste?

[Businessman] The impure cocaine paste is sold here. Very few process it. There are no laboratories to do so.

[LA REPUBLICA] But do the coca producers themselves process the coca leaves?

[Businessman] The impure cocaine paste is processed by the coca grower himself. But to produce cocaine base you need other chemical procedures and experts to do the job.

[LA REPUBLICA] Is the Shining Path present in this area?

[Businessman] They have not been seen here. This zone belongs to the MRTA [Tupac Amaru Revolutionary Movement].

[LA REPUBLICA] How about the Rodrigo Franco commando?

[Businessman] Four armed members of this group attacked one night. They summoned the authorities and teachers. Then they fled with a whole lot of money.

[LA REPUBLICA] When did this happen?

[Businessman] Six months ago. They were trying to convince the authorities to organize peasant defense patrols.

[LA REPUBLICA] In what other valleys of the Central Huallaga are there coca plantations?

[Businessman] In Central Huallaga, Biabo, Sauce, Tres Unidos, and many others.

[LA REPUBLICA] How about the Lower Huallaga?

[Businessman] In Chazuta. The truth is that 70 percent of valley's population, in the lower as well as in the higher area, produce coca leaves.

[LA REPUBLICA] Do they have any problems working?

[Businessman] The truth is that there are no problems. It is undoubtedly an informal job, but there have been no problems so far. The weight of law is not felt here yet.

[LA REPUBLICA] How much does coca production cost in Alto Huallaga?

[Businessman] The production cost is lower because the price of goods is lower and it is easier to produce. The quantity of available goods is also larger and sales are faster.

[LA REPUBLICA] How much do the chemicals to produce white coca paste cost here?

[Businessman] All the necessary chemicals cost $50 per kilo, which is expensive. In Alto Huallaga they cost $35. But the price will undoubtedly drop here because the business is growing gradually.

[LA REPUBLICA] Do you need to be an expert to produce white coca paste?

[Businessman] You have to know the tricks.

[LA REPUBLICA] Does the expert work alone?

[Businessman] No. He works with his people. To produce some 100 kg, the chemist needs the help of some eight to 10 men, whom he hires.

[LA REPUBLICA] Have the antidrug police not come here yet?

[Businessman] They only go to the Alto Huallaga area. This area is new.

[LA REPUBLICA] Is the coca production in this "other Huallaga" similar to that in Alto Huallaga?

[Businessman] I would say it is larger.

Traffickers Involved in Drug Shipment Arrested

PY0311181890 Lima EL COMERCIO in Spanish 28 Oct 90 p A 13

[Excerpt] Three highly sought-after international drug traffickers of Peruvian nationality have been detained by the narcotics division of the Technical Police. They have been charged with having shipped in January 1990 a total of 235 kg of cocaine hydrochloride aboard a Peruvian Navy ship bound for the United States.

The other two accomplices of this ring are being intensely sought. They have been charged with having sent "mules" or "couriers" carrying cocaine hydrochloride to various European countries where they were discovered and tried.

The detainees have been identified as Eduardo Armando Luque Valenzuela, 45, alias "Lalo"; Gregorio Quino Chavez, 25, alias "Goyo"; and Hipolito Yance Chuchon, 26, alias "Chino." Quino and Yance cooperated with Luque in the processing and transport of the drug from Alto Huallaga to Lima.

The fugitive drug traffickers are Juan Guillermo Justo Cornejo Huallpa, alias "Willy," and Eloy Yance Chuchon. They are the international drug traffickers involved in these actions, and they are wanted by the Third Lower Court of Callao.

The Illegal Drug Trade Investigative Division [Division de Investigacion de Trafico Ilicito de Drogas] (Dintid) of the Technical Police has reported that Luque Valenzuela and his cohorts convinced Peruvian Navy Frigate Captain Eduardo Genaro Lopez de Castilla Delgado, commander of the Peruvian Navy ship "Rio Eten," to "transport" 235 kg of cocaine hydrochloride to the United States. [passage omitted]

Shining Path Kills Twelve in Ayacucho

PY0211172390 Madrid EFE in Spanish 1623 GMT 2 Nov 90

[Text] Ayacucho, Peru, 2 Nov (EFE)—Twelve persons were killed last night in this Andean capital by members of the Maoist Shining Path group. Those killed include Hector Montero Lande, the departmental secretary general of the governing Change 90 party.

The city of Ayacucho has been without electricity for more than a day because Shining Path subversives destroyed three high-tension pylons between the cities of Ayacucho and Huancavelica, in the Andean hills northeast of Lima.

Engineer Hector Montero was murdered in his home, and his wife was wounded.

National Policeman Adolfo Cisneros was killed in the street, and the subversives took his gun.

Jorge Sosa, a student of the San Cristobal de Huamanga University of Ayacucho, and Alberto Llactu Huamin,

who is the governor of Yurajyuraj and who was visiting Ayacucho, were shot dead by the guerrillas.

The bodies of eight other people who had been murdered during the night were picked up off the streets of Ayacucho. They have not yet been identified.

The eight-year state of emergency in Ayacucho Department was lifted last week in Huamanga, the capital of which is Ayacucho.

Peasant Patrol Leader Killed by Subversives

PY0211223690 Lima Television Peruana in Spanish 1100 GMT 2 Nov 90

[Text] Subversives have killed the leader of the peasant defense patrol from the (Pucuguruguay) community in Cerro de Pasco by shooting him once in the head. It has been reported that an unidentified individual shot him at point-blank range, leaving him in a pool of blood.

Terrorists Commit Murder, Bombings in Lima

PY0311142890 Madrid EFE in Spanish 0429 GMT 3 Nov 90

[Text] Lima, 2 Nov (EFE) — Police have reported that in Lima one person was killed by terrorists and a synagogue and the headquarters of a business were attacked with bombs.

Segundo Alvarez, personnel chief at a shoe factory, was shot dead with two bullets in the head by unknown persons who attacked him as he was leaving his home in the Lima district of Brena to go to work.

The bomb attacks occurred in front of the door to the synagogue of the Israelite Union of Peru, located in downtown Lima, and in front of a business in Lima's Santa Catalina District. There were no casualties.

Agriculture Sector To Receive $80 Million

PY0311153090 Lima Television Peruana in Spanish 0100 GMT 31 Oct 90

[Excerpt] After meeting with President Alberto Fujimori, Jorge Chavez has reported that the government will assign $80 million to the agricultural sector in the next two months and private banks will also assign more money to the sector. Chavez is agriculture minister, deputy economy minister, and chairman of the Central Reserve Bank. [passage omitted]

PRC Credit Allocated to Health Ministry

PY0311142290 Lima Domestic Service in Spanish 1200 GMT 3 Nov 90

[Text] Through a ministerial resolution, the government has allocated to the Health Ministry a $7-million PRC credit. This allocation will be designed to finance imports of Chinese medicine and inputs specified in contracts signed with that country.

* Court Communique Rebuts Fujimori's Remarks

91SM0047D Lima EXPRESO in Spanish 20 Sep 90 p 10

[Official communique from the Secretary General of the Supreme Court Bernardo del Aguila Paz, issued in Lima on 21 September—first paragraph is EXPRESO introduction]

[Text] The Supreme Court of Justice has denounced the wrongful charges against the judicial branch made by the president of the Republic, stating that "the promiscuity, illness, and hunger prevalent among the inmates in the penal institutions, as well as the traffic of drugs and alcohol therein, is the responsibility of authorities and not related to the administrators of justice."

This was revealed yesterday with the release of the following official statement:

Official Communique of the Supreme Court of the Republic

"In connection with the statements made by the president of the Republic pertaining to the judicial branch, the Supreme Court of the Republic, meeting in plenary session, approved publication of the following statement:

1. The Supreme Court rejects the wrongful treatment of the judicial branch by the president of the Republic.

2. Peru is a democratic Republic structured on the basis of three branches—legislative, executive, and judicial. The balance, respect, and harmony among these three branches are the mainstay of the state of law and the democratic system.

3. The judicial branch does not manage the penal establishments. The crowding, promiscuity, sickness, and hunger from which the inmates are suffering, as well as the illegal traffic in drugs and alcohol in the penal institutions, are the responsibility of authorities unrelated to the judicial branch. To set forth the shortcomings together with a reference to the judicial branch is to create a confusion of concepts.

4. The lack of speed in trial procedures, a universal problem in the administration of justice, is due in the Peruvian case, among other factors, to the anachronistic and archaic nature of the Procedural Codes, the deplorable infrastructure of the court apparatus, and the budget insufficiency.

5. The jurisdictional bodies are not insensitive to the tragic situation in the penitentiaries. The use, within the legal limitations, of parole and the court appearance system, allows innumerable defendants to enjoy freedom during the criminal proceedings. Those who are involved in committing serious crimes such as terrorism, homicide, kidnapping, robbery, and others, which carry prison sentences of long duration, are kept in custody.

6. The Supreme Court reaffirms the fact that the unity, exclusivity, and independence of the jurisdictional function are guaranteed by the Constitution. The authority to administer justice falls to the judicial branch alone, and intervention by other authorities in the hearing of cases being processed constitutes a violation of the fundamental charter.

7. The Supreme Court reserves its judgment with regard to the supreme decree pertaining to the exercise of the right to pardon.

Lima, 21 September 1990

Bernardo del Aguila Paz, Secretary General of the Supreme Court"

* Committees Formed To Investigate Corruption

91SM0047C Lima EL COMERCIO in Spanish 26 Sep 90 p A4

[Text] In a secret vote last night, the Chamber of Deputies appointed the special commission which will be entrusted with formulating the constitutional charge against former president Alan Garcia in connection with his responsibility for the death in June of 1986 of the prisoners accused of terrorism.

The commission will be headed by Julio Castro Gomez (IU [United Left]), for whom 90 votes were cast, and will have the following members: Ernesto Gamarra Olivares (FIM [Independent Moralist Front]) (74); Constantino Colonna Valdez (71); Oscar Urviola Hani (FREDEMO [Democratic Front]); and Gilberto Cabanillas Barrantes (PAP [Aprista Party of Peru]). This last individual was elected on a second vote, together with Mario Soto Godoy (Change 90) (43), after failing to win the required minimum during the first vote, as was the case with Humberto Arenas (PAP) (57), who refused to serve with the group.

More Investigative Commissions

The Chamber also appointed the members of six other investigative commissions on which agreement had been reached earlier. They are described below:

- A commission to investigate real estate owned by former president Alan Garcia Perez will be headed by Fernando Olivera Vega (FIM), and its members will include: Luis Alvarado Contreras and Jorge del Castillo (PAP); Fausto Alvarado Dodero (FREDEMO); Jorge Baca Luna (IU); Pedro Cateriano Bellido (ML [Liberty Movement]); and Lourdes Flores Nano (PPC [Popular Christian Party]).
- A commission to investigate the massive escape of MRTA [Tupac Amaru Revolutionary Movement] members from the Castro Castro Prison will be headed by Ernesto Gamarra (FIM), and will also include Mario Camacho Perla and Mario Cavalcanti Gamboa (IU); Horacio Canepa Torre (FREDEMO); Ivan La Riva (FREDEMO); and Alberto Valencia and Genaro Velez Castro (PAP).
- A commission to look into the food policy during the period between 1980 and 1990 will have Dacio Maldonado (IU) as its president. Members will include Victor Carranza (PAP); Alfredo Elias and Manuel La Torre (FREDEMO); Roberto Liu (Change 90); Ester Moreno (IS [Socialist Left]); and Edgar Teran (FIM).

Other commissions appointed include one which will look into the cases of customs fraud which caused losses for the state during the period between 1980 and 1990. It will be headed by Victoria Paredes Sanchez (Change 90). Another will analyze telephone espionage for which the National Intelligence Service was responsible. It will be headed by Jorge Donayre Lozaon (Independent). Another commission will look into the responsibility of the National Supervisory Commission for Enterprises and Securities (CONASEV) and the Superintendency of Banking and Insurance in the "parallel banking case." It will be headed by Gilberto Siura Cespedes (Change 90).

At the request of Fernando Olivera Vega, the Chamber observed a minute of silence in memory of the murdered former minister of labor, Orestes Rodriguez Campos, whose career as a citizen and public man was praised by that parliamentarian.

* Industrial Sector 'Crisis' Detailed

91SM0047E Lima EL COMERCIO in Spanish 30 Sep 90 p E20

[Text] "The level of industrial production has been declining since the second half of 1987. The situation deteriorated further in 1988, and has been doing so to an even greater extent during the months of August and September of this year.

"The present crisis is more acute than it was in 1988, and even more serious than what the country experienced in 1983. Production in August was down 19.6 percent from the August 1989 figure, and it is estimated that in September, the level of production will be down 30 percent from what it was during the comparable month last year.

"However, the true dimensions of the crisis can be seen in the reduction in the level of sales.

"In August, there was a drop of 51 percent from the figure for the same month the previous year (and of 57.3 percent with respect to July), within a context in which sales on credit reached their lowest level in our history—0.8 percent of the total transactions."

A report provided by the Institute of Economic and Social Research of the National Association of Industries (SNI) indicates that the low level of present sales will to some extent be a determining factor in future production (two to three months for industrial production).

"Therefore, it is believed that beginning in December, there might be some recovery in the production volume of the industrial sector, and only in the middle of 1991 would it be possible to be working at a normal level,

provided that the macroeconomic policies are consistent. In such a case, the first test by fire for industry and the economic policy would not be seen before October."

It is noted that everyone is aware that the main cause of the current recession is the hyperinflation provoked by the preceding government. On the demand side, it reduced the purchasing power of the people to such an extent that, for example, the food product branches saw a decline in production, on an average, of 27 percent in August due to the adjustment (food sales dropped 40 percent).

The processing and canning of meat and dairy products might be cited as examples. These sectors are currently using only 15 and 17 percent, respectively, of their installed capacity.

The SNI notes the heavy tax pressure affecting the industrial sector. Industry is the leading taxpayer to the state. It is estimated that it is now providing approximately 76 percent of what the government collects.

Given this picture, it is estimated that the decline in industrial production (in January-December 1990 as compared to January-December 1989) will be five percent, which would mean a decline in the overall GDP [gross domestic product] of about two percent for the same period.

This trend is reflected in the indicators for all of the industrial branches, without exception. According to preliminary indications, they will show declining figures for September.

There are industrial branches passing through a critical period which are net exporters. This group includes the canned fruits and vegetables sector, which is operating at only 22.6 percent of its installed capacity. The figure for the yarns, fabrics, and finished products sector is 66.8 percent.

On the level of industrial subsectors, some of the branches which have used the smallest portions of their installed capacity are electrical household appliances (11 percent), radio and television sets (7.6 percent), electrical household products (11 percent), and miscellaneous metal products (7.3 percent).

In the capital goods sector, such industries include paper and cardboard (17.8 percent), miscellaneous nonmetallic mineral products (17 percent), tanning (19.3 percent), and paint (21 percent). Those in the intermediate goods industries include leather footwear (25 percent), beer and malts (20 percent), distilling and rectification of alcohol and alcoholic beverages (10 percent), toiletries and cleaning products (30.6 percent), and pharmaceuticals for human use (33.2 percent) in the consumer goods industry.

"In conclusion, the low level of installed capacity being used by the industrial sector (39 percent) is reflected in the declining level of employment, which in the course of the last month was down 4.3 percent from the figure for the comparable period in 1989."

The report says that "there is a need for the immediate promulgation of a strike law, an antimonopoly law, and an antidumping law. It is further hoped that the commission entrusted with the government's customs policy will reconsider special circumstances for certain production lines, consistent with the present conditions in which industry in our country finds itself, and that additionally, the effective periods for the current customs fees will be established."

Uruguay

Ecuadoran President Arrives for Two-Day Visit

PY04232490 Madrid EFE in Spanish 2159 GMT 4 Nov 90

[Text] Montevideo, 4 Nov (EFE)—Uruguayan President Luis Alberto Lacalle today criticized trade protectionism in a speech he delivered here to welcome Ecuadoran President Rodrigo Borja, who arrived on a two-day official visit to Uruguay.

Lacalle said a confrontation is now taking place between advocates of "a suicidal protectionism and those of a system of economic freedom that will bring prosperity to everyone."

The Uruguayan president conveyed his concern about the possible failure of the current round of GATT negotiations that began in Punta del Este (Uruguay) in 1986.

During the welcome ceremony at Carrasco Airport, Borja said that "Latin American problems cannot be resolved within the limited boundaries of our countries," and he proposed greater integration among countries of the region.

"To keep our countries isolated would be political suicide in a world in which powerful blocs are being created," Borja added.

In his speech, Lacalle mentioned Ecuadoran writer Juan Montalvo and former Ecuadoran President Jose Maria Velasco Ibarra, who died in 1979. Talking about Velasco, Lacalle said: "I sometimes saw him looking at the River Plate, but perhaps he was looking at it with his soul set on his distant fatherland." Velasco lived in exile in Montevideo.

Use of Gold 'Swap' Operations Questioned

PY0311235890 Montevideo EL DIA in Spanish 27 Oct 90 p 1

[Text] The Colorado Party announced in Congress yesterday that a new shipment of 100,000 ounces of gold was being sent abroad even as Central Bank President Ramon Diaz was reporting to legislators on gold deals that had taken place since April. Diaz announced that

the Central Bank will repurchase 59,670 ounces of gold in a "swap" [preceding word in English] operation that was closed six months ago and will take effect on 30 October.

Ramon Diaz and Economy Minister Enrique Braga yesterday explained the gold reserve deals to the Senate Finance Committee. Opposition sectors later said that the explanations were "unsatisfactory," reiterating that the Central Bank president does not have the authority to unilaterally decide on gold sales or transfers.

During his testimony before the Senate committee, Diaz insisted that the government will continue to conduct "swap" operations (sales with an option for later repurchase) with gold reserves. On 30 April Uruguay closed its first "swap" deals for gold involving a package of 59,670 ounces with a six-month repurchase option at 8.11-percent interest and a package of 59,670 ounces of gold with a 12-month repurchase option at 8.2-percent interest. On 8 August the government closed another "swap" operation involving 94,339 ounces of gold with a six-month repurchase option, at 7.2-percent interest and $384.75 an ounce.

In August the Central Bank president also authorized the transfer or 200,000 ounces of gold from New York (it was deposited at Citibank's main offices) to a Citibank branch in London.

Communist Party Holds 22d Congress

PY0411204090 Montevideo BUSQUEDA in Spanish 18 Oct 90 pp 6, 7

[Report by Nelson Fernandez and Claudio Romanoff]

[Text] After 10 months of continuing debate in which the Communist Party of Uruguay (PCU) discussed all its theoretical definitions, the 22d PCU Congress ratified the basic principles of Marxism-Leninism, placed greater emphasis on the democratic aspects of its internal structure and on its path toward socialism, and postponed decisions on other unsettled issues until a national meeting is held in 1991.

In his closing speech, Jaime Perez, who was reelected PCU secretary general, said: "So many problems have accumulated that it is impossible to solve them all in a single congress."

The Uruguayan Communist renewal is closer to the reformist Cuban rectification than to the revolutionary Soviet reorganization.

The main theoretical innovations can be perceived in the emphasis placed on the "democratic path" toward socialism, understanding the latter as a transition stage toward communism.

Struck by the collapse of the socialist bloc—which they admired for decades and whose authoritarian outrages, economic failure, and popular discontent they must now admit as a reality—the Uruguayan Communists preferred to avoid forceful pronouncements. This approach allowed them to pass ambiguous resolutions and postpone other resolutions.

Therefore, for the first time the PCU disagreed with the Soviet political-economic process, expressing its "doubts and concern" over perestroyka and supporting Cuba's Fidel Castro by saying that the people's "old problems were resolved there" and that "the measures of popular participation" were adjusted.

Various moments of tension to which the Communists were unaccustomed occurred throughout the congress because for years they were accustomed to approving programs unanimously. However, ocassionally and for various reasons an emotional event calmed their feelings when the party members had a chance to hold hands and sing or to pay homage to their dead leaders with a lump in their throats. Speeches of an electoral tone recalling the suffering during the military regime (like the speech by Jorge Mazzarovich on 7 October) also contributed to creating an environment of agreement.

The main emotional event occurred at the closing of the congress when the names of the new leadership were announced. Some people rushed to embrace; there were kisses, tears, applause, and singing leading to an emotional environment which made Senator Perez to say "it was worth it."

The debates before the congress created the publicly admitted fear among the PCU leadership about the possibility of an eventual party split.

This fear that prevailed during the six congress sessions makes one wonder whether the leaders who advocated change abandoned their position for the sake of unity or if the changes actually made were all they wanted.

Both the previous debate and the congress revealed the existence of different opinions that can be divided in two categories: the revisionists and the preservers of the main ideas upheld by communists for decades although this did not represent blocks for common action. The two groups were heterogeneous, and several leaders who at the beginning of the congress supported the second category turned out to support the proposal for reforms.

The revisionists include leaders like Esteban Valenti, who was in charge of propaganda and who did not agree to be reelected to the Central Committee, and Edgar Lanza, who was in charge of organization. Another leader in this group is 37-year-old researcher Alvaro Rico, who in his speech called for the revision of Marxism-Leninism. Because of his "internal" actions he was able "to get" 1,018 votes, which elected him to the PCU leadership.

Other leaders who also advocated change said that "revision was necessary" but they did not get involved in a confrontation of ideas on the degree of change needed;

therefore, they did not have any enemies and at election time they were elected to the first positions on the Central Committee.

Several militants who advocated revisionism were not elected and left the party leadership silently. One leader said: "It is difficult to say how many, but it is a large number and we should get them back." Of the 50,000 PCU members a large majority is not active and does not pay its party dues.

Among them are veteran leaders who defend orthodox principles such as Eduardo Viera, 69, and Alberto Altesor, 76, who became party members in 1938 and 1936, respectively. Mathematician Jose Luis Massera, 75, who did not accept reelection as a leader, is also a member of this faction. Perez said that although Massera "is a very learned person," he found it "very difficult to understand" the need for change even though he made "a marvelous effort" to do so. Perez added that this is what is happening "to the comrades who have solid training" (theoretical), although this seems to be "a contradiction."

Psychologist Hermes Millan, 31, who became a member in 1980, is among those responsible for training the PCU cadres, and teacher Marina Arismendi, 41, daughter of the late Communist leader Rodney Arismendi, are the apparent heads of another faction of conservationists that challenged Secretary General Perez.

The 433 votes obtained by Millan is exactly the same number of votes, with the abstention of Perez, obtained when the secretary general was elected (433 out of 2,161).

For the revisionists, the congress was a victory for the "renewal" faction: Innovations were introduced, numerous young people were incorporated into the leadership, and a path was opened for a process of changes at the same time that a split was avoided.

For the conservationists, the results were not entirely unfavorable. "No current of thought has been disrespected, and the resolutions are not inconsistent [hibridas]," said Millan, who added that the new Central Committee "reflects the various internal positions." A veteran leader who asked not to be identified, said: "During the debate, all ideas were at stake. Nonetheless, Marxist-Leninist principles were preserved; at least I have that consolation."

The congress has approved modifications to its structure and performance statutes, discarding in the texts the "vanguard" concepts that have historically been awarded to it; it released an international thesis document and another document on general resolutions where the objectives and ways to achieve them are emphasized.

The document proposes "a democratic path of revolutionary transformations," which has been "agreed upon by the large national majorities," and which will lead to socialism. It warns against "the dangers" that the "structural changes" may have to face, and it calls for "the right to rebel against and resist" those who may want to prevent these changes "by force and (through) illegal methods."

It identifies socialism with "a change of the classes in power," which "allows the working class to succeed as an hegemonic force."

The "democratic path of revolutionaty changes" chosen by the congress is the following: **Advanced Democracy** (which will stimulate productive development, promote the agrarian reform, and ensure "the social control of the market economy"); **Socialism** (change of classes in power, hegemony of the working class, elimination of domination of private property in the large productive sectors, assignment of the strategic areas of the national economy to state control, forms of self-management of social property; "the market will govern economic and social relations"; "the process of democratization of the State toward its extinction will be increased"; "dissent within a democratic framework will be protected" as well as the "separation of the state from the ruling parties," calling "periodical elections"); **Communism** ("removes exploitation of man by man," eliminates "the division of society into antagonistic classes," and puts an end to the state).

Following the emphasis that several speakers placed on the "democratic way" of the process, Marina Arismendi—who did not vote on the general resolutions—raised some "contradictions: "We will change the classes in power, but using such undefined and undeterminable, asking for the permission of the ruling classes to replace them by remarks (that are) worthy of a soap opera."

According to the Communists, the congress provided other teachings and experiences for them: "Something we gained from it is that it made our brains work" (J. Perez); "no Communist should refrain from saying what he or she wants to say, with the guarantee that he or she will be respected" (Perez); "we cannot fiddle around; we must be serious" (Anhelo Hernandez); "we must learn not to give an opinion on issues we do not fully understand" (Jorge Jauri); "I reject the presupposition of the infallibility of party opinions" (Pedro Giudice).

This was the first congress that was held with the left in Montevideo's departmental government and that did not enjoy the presence of the late main PCU theoritician Rodney Arismendi—an outstanding party figure since the 1940's—who died in December 1989.

At the congress hall, PCU members were selling photocopies of the front page of an issue of former PCU newspaper JUSTICIA that was published the day after the 16th PCU Congress in 1955. A PCU Congress message to the CPSU, which was included in that issue, said: "Long live the great Communist Party of the Soviet Union, the glorious party of Lenin and Stalin." The message described the CPSU as "guide and master of all the communist parties of the world."

The JUSTICIA front page included the photographies of the leaders elected on that year. Four of them (Perez, Altesor, Felix Diaz and Viera) remain in the Central Committee; some have died (Arismendi, Enrique Rodriguez and Julia Arevalo); and others are not included in the new leadership (Massera and Leopoldo Bruera, for example).

Today the PCU and the leaders who are still members of the executive organs admit to the "deformations" and the "crimes" of the Stalinist regime and no longer recognize the CPSU as "guide and master," but raise their "doubts and concerns."

On Monday, 15 October, at 0130, Jaime Perez left the Penarol Palace satisfied with his reelection and with the upholding of his party's unity. As he tried to get into his car, a vehicle that was parked next to his caught fire. Four PCU members put out the fire using two extinguishers and jackets. Perez breathed a sigh of relief and told his chauffeur: "Well, we are leaving."

Communists To Reduce Influence in Trade Unions

PY0411191090 Montevideo BUSQUEDA in Spanish 18 Oct 90 p 9

[Text] It is clear from the resolutions of the 21st PCU [Communist Party of Uruguay] Congress, which ended last weekend, that the PCU intends to reduce the influence of the PCU apparatus within the PIT-CNT [Inter-union Workers Plenum-National Convention of Workers] and its member trade union organizations.

The PCU Congress reviewed its self-proclaimed role as the "vanguard of the working class," historically enunciated by the communists in their bylaws. The congress heard speeches by trade union leaders who reaffirmed this concept.

Speaking to the PCU Congress on Saturday afternoon, 13 October, Oscar Groba, a National Union of Metalworkers and Related Industries Workers (UNTMRA) leader who was elected to position 14 of the PCU Central Committee (CC), said: "The era in which the PCU apparatus and the apparatuses of the other parties guided the workers movement must end. The trade unions are not the property of the communists or any other political party."

For his part, Adolfo Drescher, a bank employees trade union leader who was elected to position 51 of the PCU CC, added: "We no longer believe we own the trade unions. Our unitarian policy is fresher, and today we are not viewed with the suspicion that prevailed in the past" because "the relationship with comrades from other trends has been reassessed."

This reduced influence of the PCU apparatus had already become obvious during the months prior to the holding of the PCU Congress through an unusual lack of unity in the proposals of the PCU trade union leaders when PIT-CNT resolutions were voted on.

This phenomenon forced the PCU trade union leaders to seek support for their proposals within the rank and file of their own trade unions and caused situations in which the trade unions with executive boards made up of members from various parties wound up voting to approve similar positions, quite an unusual event.

A source has explained that, "at the same time, in the future the powerful PCU trade union sector—which is now formally in the charge of Felix Diaz, a veteran port workers union leader—could be led by a group of leaders who would manage it in a collegial way "or could simply not be guided by anyone."

Diaz seemed to lose prestige during the PCU Congress as he was elected to position 48 of the 70-member PCU CC.

Diaz was also a member of the former PCU executive board.

In turn, trade union leaders such as Eduardo Platero from Montevideo's Association of Municipal Employees and Workers (ADEOM) and Jorge Silvano from the Federation of Transportation Workers (FOT) received a large number of votes that placed them in positions 4 and 11 on the new list of CC members.

The CC will include as full members 23 trade union leaders, seven of whom represent their trade unions on the PIT-CNT Executive Secretariat. In addition to Platero and Silvano, they are Cristina Gonzalez (private health workers), Oscar Groba (UNTMRA), Ruben Villaverde (FFOSE) [expansion unkown], Manuel Barrios (construction workers), and Gerardo Rey (AUTE) [Officials Group of the Uruguayan Workers Union].

Only two communist trade union leaders, who are members of the PIT-CNT leadership, are not included in the PCU CC: Bernardo Groisman (clothing industry workers) and Milton Castellanos (store workers).

Gorbachev Congratulates Communist Party Secretary

PY0211220590 Montevideo LA HORA POPULAR in Spanish 28 Oct 90 p 4

[Text] Soviet President Mikhail Gorbachev has congratulated Senator Jaime Perez on being reelected as secretary general of the Communist Party of Uruguay during the 22d congress recently held by this organization.

The brief message sent by the CPSU secretary general states: "I wish you success in your work for the good of the Uruguayan people."

PCU Congress, Party Actions Viewed

PY0411220090 Montevideo BUSQUEDA in Spanish 18 Oct 90 p 2

[Article by Daniel Gianelli: "The Communist Party Must Speak Out Clearly"]

[Text] Last week a former member of the Uruguayan Communist Party's [PCU] armed apparatus drew aside

the heavy veil with which the leadership of that political organization hid for years the party's underground activities that were dismantled during the mid-1970's by the Armed Forces.

Jorge Suarez Cabrera joined the PCU in his youth, and he is also a front-line militant who has a very direct family link with the late Secretary General Rodney Arismendi. In remarks to BUSQUEDA, Suarez Cabrera confirmed in general terms the information that the security services disseminated in those years.

After evaluating those events, for which he spent 10 years in prison, the former Communist militant urged the 22d party congress to discuss "frankly, openly, and with its face toward the people" the topic of how "armed action" complements political action.

He maintains that the reasons used in the past to support the creation of that group today lack validity, even under the assumption of defensive action, and he formulated an appeal to the party leadership asking it not to repeat that historical error.

His reasoning, which is impeccably logical, minutely scrutinizes the errors committed by the PCU leadership when it decided to arm those militants, who had to split into two groups in order to carry out legal or illegal tasks as the occasion demanded.

Suarez stresses that "the ever-increasing development, sophistication, and destructive capability of the war materiel" in the hands of security forces cancels the alleged compensation of the "favorable political conditions" that Marx and Lenin attributed to the people for the success of a revolutionary process. From his Communist viewpoint, Suarez questioned the "ambiguities" of a speech that still supports the ideas that the PCU can again mount an armed apparatus.

He recalled that while Secretary General Jaime Perez stressed at the beginning of the 22d congress that "the consolidation of democracy is the ABC of Marxism-Leninism," and that democracy "is the best political path," a paragraph of the 1958 Party Program Declaration is still in force. This paragraph refers to the "way of civil war," and it states that "the proletariat and other classes must confront and defeat said reactionary attempts."

On asking how the PCU can prepare itself to "confront and defeat these attempts," Suarez outlined the topic correctly. After recalling that in 1964 "we were also talking in these terms... and we mounted the armed apparatus as a responsible link between the manifesto and action," he asked: "We are still in the same place."

He stressed that these "ambiguities" and "sublime manifestos," whose significance "might be understood by the neophyte," but "leave people completely up in the air," will come to the eyes and ears of the security forces, which "will not even give us the benefit of the doubt."

He rightly believes that these "ambiguities" invalidate "every effort to reinsert the Armed Forces into the social and democratic structure, they make the political atmosphere subtle, and they strengthen the regressive and repressive framework of arguments" of the anti-democratic sectors.

The PCU Congress, which was preceded by an intense internal discussion between so-called "renewal" and "conservative" factions that were still suffering from the impact of the changes being experienced in the Soviet Union and in the "socialist world," clearly reflected the leadership's effort to do some inside fence-mending to prevent any type of break.

Within this context it became unthinkable that a clear manifesto would be issued on such a delicate topic that has been buried deep in the party's recent history and which includes so much suffering for hundreds of its militants and their relatives.

Moreover, the congress heard several persons who implicitly urged that the idea of the armed apparatus be reviewed. "To speak about the democratic path diminishes the party's image as an instrument of the social revolution. From this viewpoint, the harshness of the class struggle, the violent nature of confrontation, would be exceptional tools at the conclusion of the process," one speaker said.

After referring to those who in the PCU who say that advances in democracy are very necessary, another said that "the class that is in power" will prevent their "privileges" from being taken away, and he warned that "to underestimate these topics is a criminal action" that "we are going to regret later on."

The document, a complicated piece of writing that is full of cliches, is intended to accommodate both the "reformists" and "conservatives." As approved by the congress it represents another ambiguity.

The "path of revolutionary transformations is full of danger because, as history teaches, the dominating classes and imperialism will in every way try to prevent the exercise of a sovereign popular will that implies structural changes," the document states.

One paragraph of the resolutions stresses: "We are working to do away with the inferno of civil war, while at the same time we reaffirm, supported by the traditions of [General Jose Gervasio] Artigas [a Uruguayan patriot], the right to rebellion, resistance that the Uruguayan people have when facing those who want to overrun with force and illegal methods their democratic successes."

The people's right to rebel against tyranny is historically acknowledged, but it is obvious that this is not the topic under discussion.

The democratic system cannot tolerate the existence of political forces that create their own armies behind the

scenes basing their action on the fact that maybe tomorrow antidemocratic forces might attack legal institutions and authorities.

Those who truly believe in the democratic system, those who truly believe in the competition ideas do not try to implement solutions that will disorganize a system that continues to give evidence that a better system has not yet been found.

Can anyone envision a country in which one or more political forces are tempted to arm their militants behind the scenes just in case; a country in which the authorities and regular Army would have to coexist with other armed forces? Although it sounds ridiculous, an example exists: As proof we have the tragedy of Lebanon.

The democratic system is not built on the basis of impositions or armed groups even though the latter were created as deterrents. Deterrents?

Democracy is built on respect for a series of rules and regulations based on decisions that have been freely expressed by the majority.

The silence with which the PCU leadership continues to cloak a part of its own past and the ambiguity of its current discourse on this topic cast doubt on the assertion that after the dictatorship the party has revalued democracy.

How believable is the word of he who resorts to the same ambiguities that in the past were used hide the "double-sided game?"

The Communist Party must speak out clearly on this topic.

Venezuela

Gulf Crisis Bolsters Alternative Fuel

PA0211231790 Madrid EFE in Spanish 0806 GMT 17 Oct 90

[Text] Caracas, 17 Oct (EFE)—According to Venezuelan Petroleum Incorporated (PDVSA), the Persian Gulf crisis has bolstered the new fuel orimulsion, along with petroleum products, and has turned it into a favorite for future decades.

Orimulsion consists of bituminous coal, water, and chemicals and is also known as liquid coal. The selling price for a barrel of orimulsion is between $1.10 and $1.30, which strikingly contrasts with the price of heavy crude, which currently stands at $19.

Venezuela has approximately 270 billion barrels of hydrocarbon reserves—the largest in the world—that can be converted into orimulsion. By the year 2000, Venezuela will be able to produce between one million and 1.5 million barrels of orimulsion .

The product is used mainly to produce electricity in thermoelectric plants. Experts maintain that it is cleaner than coal and can be transported and stored like crude oil.

In addition, once a plant has been modified to work with orimulsion, other traditional heavy fuels can also be used.

Orimulsion has been successfully tested for the past two years in Canada, the UK, and Japan. A Florida power company will start to use the new fuel in the United States in December.

The advantages of orimulsion over heavy crude and coal has been clearly detailed by several organizations that specialize in energy matters.

The Energy Information Administration (AIE) made a study on the prospects for coal in 1990. The report indicates that a shipment of orimulsion from the United States to Europe would cost $16 less per ton than coal.

The AIE notes that the biggest restraint for massive conversion from coal to orimulsion is that Venezuela is the only source of supply. This reality creates some concern about monopolization of supply and the hypothetical risk of supplies not being available on a long-term basis.

Experts believe that the importance of this bituminous emulsion fuel will be bolstered in 1992 when the EEC eliminates its subsidies on coal.

The orimulsion that is to be produced by Venezuela by the year 2000 is equal to approximately 60 million tons of coal per year. This amount is not considerably more than the total amount of coal mined, but could start to affect the marketing of vaporized coal [carbon vaporizado].

The AIE report also noted that orimulsion has an additional advantage over traditional heavy crude used by power plants—it generates five percent more electricity.

THE NEW YORK TIMES published an article about this product recently. It stated that the Canadian New Brunswick Electric Company is negotiating a contract for a supply of Orimulsion for 20 years. This company had an initial contract and used 1.1 billion barrels of the fuel to test it in different ways.

The article also noted that feasibility studies are being done on the use of orimulson in Puerto Rico, Maine, Virginia, and Massachusetts.

The U.S. newspaper stated that, with the increase in oil prices, some power companies are relieved to see eastern Venezuela's enormous bituminous coal reserves.

In petroleum centers, it is said that the UK firm, Power Gen, will purchase a million tons of orimulsion per year. The fuel will be used at the northeastern UK INCE plant.

Orimulsion was developed by a team of PDVSA and British Petroleum Company experts. They suspended

small particles of bituminous coal in water and concocted a fuel that looks and burns like fuel oil.

The experts believe that orimulsion will dominate a growing portion of the energy market and will displace coal more than it will heavy crude.

Environmental groups have received the news of this new type of fuel with hope because it creates less sulphuric anhydride, which many experts believe to be the main cause of acid rain.

Suriname

Unions Refuse Government Program Participation

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[Text] According to Vice President Henck Arron, the refusal by the Councils of Trade Unions Federation, Ravaksur, to take part in the steering committee for an adjustment program will have far-reaching consequences for the country. Arron says that participation of the trade union movement in the steering committee is very important for the drafting of a social accord between the government and trade and industry sectors and the trade union movement.

The steering committee has been formed in order to make recommendations in relation to the industrial programs for the Surinamese economy. The Trade Unions Federation meeting of the council, however, refused to participate unless the government meets a package of demands by Ravaksur aimed at helping [words indistinct] the country. This (?new) list of demands has been submitted to the government over a year ago but the government refuses to discuss it.

Vice President Henck Arron is now blaming Ravaksur of frustrating the peoples' interests by refusing to take part in a steering committee formed by the government. Ravaksur had some time ago announced that it will cut off its ties with the government. With the exception of the De Moederbond Trade Union Federation, the other federations' meeting of the council rescinded their cooperation with the government.

Recently, the national producers also decided to evaluate their relation to the government. They say they are dissatisfied over the attitudes of the government toward national production. The members of the Association of Surinamese Manufacturers, ASFA, have ordered the board to evaluate their cooperation with the government. The manufacturers are disappointed with the attention the government gives to national production. The board has been mandated to take all necessary steps on the basis of its own findings in order to decide on the continuation of the association's participation in the different state organs.

The manufacturers declared that the government invites all advisors which (?stand) to receive concrete results which could lead to increased export and the elimination of the stagnation of the national production. The national producers are considering initial steps to guarantee the rights of entrepreneurs.

In reaction to the standpoint of the ASFA, Vice President Henck Arron says that he is amazed and does not understand the accusations by the association. Arron told the daily DE WARE TIJD that only a month ago he explained to the manufacturers in which way the available foreign currency will be allocated. According to the vice president, no one had any objections. The producers, however, feel themselves abandoned by the government.

The General Union of Bank Employers in Suriname, ADB, has asked Vice President Henck Arron in a letter to use his influence to withdraw the proposal for the amendment of the banking legislation. According to the draft, the president of the Central Bank of Suriname will be appointed for a minimum period of one year and a maximum of five years. Although the structure of the board of directors will be amended, the draft will [words indistinct] discussed in the National Assembly.

In the explanatory note, the government declares that it needs room to create more flexible structures in the management of the Central Bank. Chairman of the Union of Bank Employers, [name indistinct], says in the professed letter to the vice president that the amendment is unacceptable because it implicates a better government policy on the alarming monetary situation of Suriname. The union further says that in this way it will be impossible to meet policy and that, on the contrary, the consistency of the monetary situation and the normal functioning of the bank will be jeopardized.

The economist Jules Sedney has been temporarily appointed by the Surinamese Trade and Industry Association, VSB, [Vereniging Surinaams Bedrijfsleven]. Sedney took over this week in function of acting director of the association. The economist will advise the VSB on social and economic questions. Besides, he will help the VSB carry out its plans for restructuring. Jules Sedney was prime minister of Suriname in the 1969-1973 period. After that he became president of the Central Bank of Suriname and he has also been a lecturer at the University of Suriname for some years.